



Cases

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CASE

1

Tech Mahindra: Failure in Promoting Inclusivity at Workplace¹

GENDER DIVERSITY AND INCLUSION AT THE WORKPLACE

Respecting diversity and institutionalizing inclusive practices for employees has become a prerogative in today's day and age not only as the understanding and awareness of such unique identities within the umbrella term of gender emerge but also because maintaining sensitivity and tolerance is not just a social and ethical obligation but also sometimes a legal one.

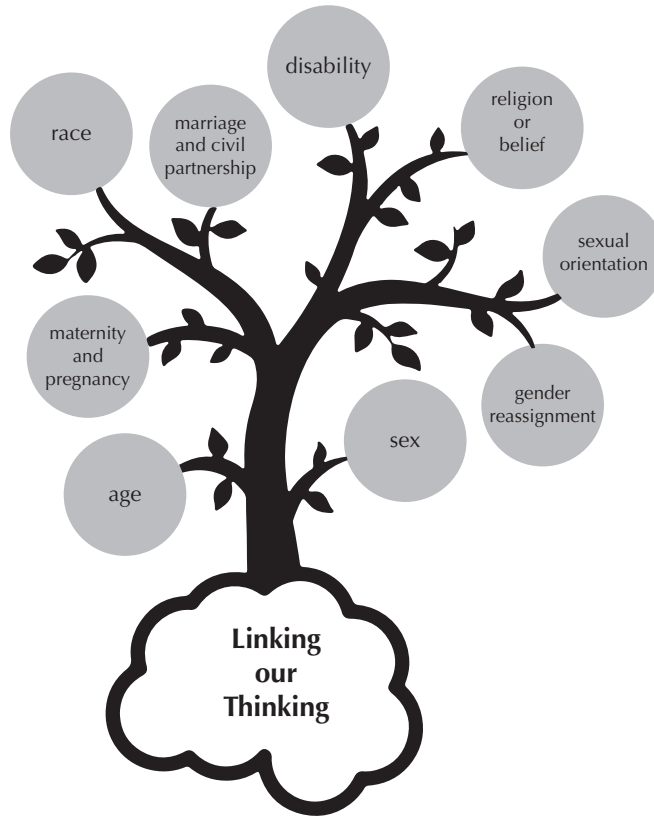
An organization with a workforce running into many hundreds or thousands of employees cannot turn a blind eye to this issue and pretend to carry on its activities without taking the time to understand and navigate this multilayered issue of creating a welcoming environment for all kinds of people, even members of the lesbian, gay, bisexual, transgender and queer community.

Several times conflicts emerge, and people are discriminated against because we might have never taken a moment to properly understand what the real issue might be because we feel everyone is already sufficiently aware of the different strands of diversity which exist in any heterogeneous population and respect and tolerance towards them will come almost naturally to everyone.

However, this leaves room for too much ambiguity, and the behaviour of perpetrators of discrimination is dominated primarily by instincts to issues that are left open to anyone's subjective interpretation. For example, a man who identifies himself as gay tends to be viewed in a biased light and is considered 'effeminate'. Harassment in such a manner then becomes a downward spiral wherein the victim can be endlessly cornered and left without cover or protection from emotional, psychological and sometimes even physical abuse. Cases where a person who may be 'different' is ostracized from society, denied equal opportunity for work and robbed of the freedom of their right to live the way they wish to are now becoming commonplace.

This makes it imperative for organizations and institutions, along with even the government bodies, to put into place some structures, laws and create a redressal system for people who are being unfairly treated or denied the right to life and to lead lives with dignity and their head held high.

¹ The case is partially based on a scenario that had occurred at Tech Mahindra in 2015–2016. The case is being used for purely academic purposes, and all names have been changed.

IMAGE 1.1 *Different Facets of Diversity*

MAHINDRA TECH

Tech Mahindra Limited is an Indian multinational subsidiary of the Mahindra Group, providing information technology (IT) services and business process outsourcing to companies in various vertical and horizontal markets. Anand Mahindra is the chairman of Tech Mahindra, which is headquartered at Pune and has its registered office in Mumbai.

The company was ranked #50 in India's IT firms and, overall, #111 in Fortune India 500 list for 2012. On 25 June 2013, Tech Mahindra announced the completion of a merger with Mahindra Satyam.

Mahindra & Mahindra started a joint venture with British Telecom in 1986 as a technology outsourcing firm. British Telecom initially had around a 30 per cent stake in the Tech Mahindra company. In December 2010, British Telecom sold 5.5 per cent of its stake in Tech Mahindra to Mahindra & Mahindra for ₹451 crore. In August 2012, British Telecom sold 14.1 per cent of its stake to institutional investors for about ₹1,395 crores. In December 2012, British Telecom sold its remaining 9.1 per cent (11.6 million shares) shareholdings to institutional investors for total gross cash proceeds of ₹1,011.4 crores. This sale marked the exit of British Telecom from Tech Mahindra.

Tech Mahindra announced its merger with Mahindra Satyam on 21 March 2012, after the boards of the two companies gave their approval, to create a 2.5 billion dollar IT company. The two firms had received the go-ahead for the merger from the Bombay Stock Exchange and the National Stock Exchange. On 11 June 2013, Andhra Pradesh High Court gave its approval for the merger of Mahindra Satyam with Tech Mahindra after the Bombay high court had already given its approval. On 25 June 2013, Tech Mahindra announced the completion of its merger with Mahindra Satyam to create the nation's fifth-largest software services company with a turnover of \$2.7 billion. Tech Mahindra got approval from the registrar of companies for the merger at 11:45 PM on 24 June 2013. The date, 5 July 2013, has been determined as the record date on which the Satyam Computer Services (Mahindra Satyam) shares will be swapped for Tech Mahindra shares under the approved scheme. Mahindra Satyam (Satyam Computer Services) was suspended from trading with effect from 04 July 2013, following the merger. Tech Mahindra completed a share swap and allocated its shares to the shareholders of Satyam Computer Services on 12 July 2013. The stock exchanges have accorded their approval for trading the new shares effective 12 July 2013. Tech Mahindra posted a net profit of ₹686 crore for the first quarter ended 30 June 2013, up 27 per cent compared to the corresponding quarter last year.

FINANCIAL PERFORMANCE

Tech Mahindra's operating profit margin plummeted to 8.2 per cent in March 2017, from around 18 per cent in 2015. The growth in their key telecom segment, which accounted for around 48 per cent of their total revenue, was lagging behind its peers by a huge margin. With no signs of recovery, it is no surprise that the company's share fell by nearly 12 per cent during this period (Exhibit 1.1).

IMAGE 1.2 Compound Average Growth Rate

SKEWED NUMBERS

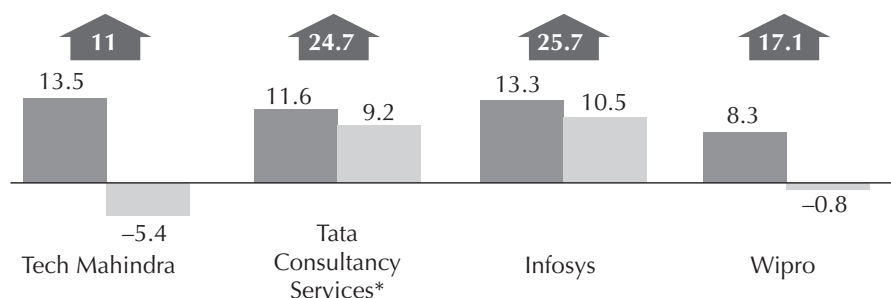
Tech Mahindra's high compensation hasn't resulted in commensurate growth; instead it has lagged peers by a huge margin.

FY15–7 compound average growth rate (in %)

■ Revenues

■ Earning before interest and taxes

▲ Ebit margin (FY17)



Excludes a one-off employee expense in FY15

Source: The company.

EXHIBIT 1.1 Financial Performance

Profit & Loss—Tech Mahindra					
	₹ (in Crores)				
	Mar'19	Mar'18	Mar'17	Mar'16	Mar'15
	12 Months	12 Months	12 Months	12 Months	12 Months
INCOME:					
Sales Turnover	27219.60	23661.20	23165.40	20969.80	19162.70
Excise Duty	.00	.00	.00	.00	.00
NET SALES	27219.60	23661.20	23165.40	20969.80	19162.70
Other Income	960.1000	1730.7000	892.9000	1108.4000	124.5000
TOTAL INCOME	28179.70	25391.90	24058.30	22078.20	19287.20
EXPENDITURE:					
Manufacturing Expenses	10257.00	9149.00	8893.60	594.00	6910.70
Material Consumed	.00	.00	.00	.00	.00
Personal Expenses	8444.00	8106.50	7744.40	7410.10	7201.20
Selling Expenses	68.80	37.60	47.80	40.40	.00
Administrative Expenses	3280.80	2465.30	2807.80	9511.60	1824.20
Expenses Capitalised	.00	.00	.00	.00	.00
Provisions Made	.00	.00	.00	.00	.00
TOTAL EXPENDITURE	22050.60	19758.40	19493.60	17556.10	15936.10
Operating Profit	5169.00	3902.80	3671.80	3413.70	3226.60
EBITDA	6129.10	5633.50	4564.70	4522.10	3351.10
Depreciation	658.70	656.20	622.20	545.50	473.30
Other Write-offs	.00	.00	.00	.00	.00
EBIT	5470.40	4977.30	3942.50	3976.60	2877.80
Interest	43.10	70.80	63.80	53.30	8.60
EBT	5427.30	4906.50	3878.70	3923.30	2869.20
Taxes	1045.90	907.20	831.40	703.30	674.30
Profit and Loss for the Year	4380.40	3999.30	3047.30	3220.00	2194.90
Non Recurring Items	.80	12.80	−.10	.00	61.30
Other Non Cash Adjustments	.00	.00	.00	.00	.00
Other Adjustments	−.80	−12.80	.10	.00	.00
REPORTED PAT	4380.40	3999.30	3047.30	3220.00	2256.20
KEY ITEMS					
Preference Dividend	.00	.00	.00	.00	.00
Equity Dividend	1112.30	1036.10	1378.70	925.70	461.50
Equity Dividend (%)	226.21	211.57	283.21	191.29	96.06
Shares in issue (Lakhs)	9833.62	9797.34	9740.96	9678.10	9607.89
EPS-Annualised (₹)	44.55	40.82	31.28	33.27	23.48

Source: Economic Times

HUMAN RESOURCES (HR) PRACTICES AT TECH MAHINDRA

Tech Mahindra has been facing a barrage of negative reviews when it comes to HR policies and processes being practised in the organization. The following is a consolidated list of issues that the organization was facing internally, sourced from employee feedback and reviews.

Recruitment

The recruitment process at Tech Mahindra was widely considered poor since employees were typically not given proper communication regarding their selection or rejection. It was not unusual for candidates to be left desperately waiting for any sort of communication from the HR team. The candidates felt that the entire recruitment process was far too long and ambiguous.

Compensation

Unlike the top executives who received enormously large packages, most of the other employees got minor hikes with their career progression. Freshers also complained about less competitive salaries.

Growth

People felt that career growth was a very stagnant element in the organization. The general feeling was that one had to wait for absurdly long durations before any substantial opportunity would come along.

Appraisals

The appraisal system was criticized for being very opaque. There was no clear understanding of how it was conducted or how employees were evaluated. This often created an environment of distrust with regards to the fairness of the processes.

Development

When employees understood the difficulty in progressing through the organization, they would turn to personal skill development. However, they found that after the initial training period, Tech Mahindra offered little to further their own capabilities.

Skill Gaps

Another major issue many employees had was with the inability of the skills training they received on joining to help them perform their job in an efficient and productive manner.

This led to a feeling of helplessness among them and subsequent dissatisfaction with the way things were being handled by the organization.

SAGAR SAREEN'S EXPERIENCE

Sareen was a typical employee at Tech Mahindra, working diligently and meeting his expectations and occasionally surpassing them. He liked the work and was looking to stay with the organization for the foreseeable future. Things were going relatively smoothly for him until that fateful day in 2015.

Sareen's supervisor, Ruchira Mehta, who happened to be the chief diversity and inclusivity officer had a reputation that Sareen was struggling to come to terms with. Mehta had on many occasions behaved in what he believed was a *highly unethical* manner.

He recalled how once during a staff meeting; she had taunted a former manager, claiming that the manager was 'crying like a gay man' and proceeded to ridicule him and encouraged others to do the same. It bothered Sareen to no end how someone with such a title would be encouraging, let alone initiating such sort of behaviour.

In another incident, she displayed Islamophobic behaviour against a fellow employee. Her hatred for the Muslim community was frequently vocalized with the little reaction of his peers. This tendency of Mehta to make mocking judgements was something that was well known throughout the workplace and yet was never questioned. It perplexed him to no end. He would sometimes wonder if he should speak out against this toxic environment but feared being targeted himself.

A few months down the line, he, unfortunately, was caught on the receiving end of this phenomenon. At a training session where both were present, Mehta began to ridicule Sareen for his 'effeminate' nature and how it was affecting his work and, in turn, lead to her feeling disrespected. Following this was the classic pointing and laughing, which Mehta was infamous for. Sareen felt positively embarrassed and depressed as his 'status' quickly spread throughout his office with a multitude of his own co-workers continuing the trend that Mehta had set.

This had made his office a hostile environment where he could no longer focus on his work as he felt constantly attacked and would never be taken seriously by his peers or his supervisor. The only solution that he could see was leaving the organization and thus, reluctantly gave in his papers and exited the organization.

Sareen wondered how a manager that makes a mockery out of a religious minority and a sexual minority could be given such a title by an organization that took pride in being an inclusive workplace that embraced diversity. He believed that such sweeping generalization and stereotyping of someone's sexuality was unethical and unprofessional. Long after he had left the organization, he often wondered if the top executives of the firm were aware of these practices occurring under their roofs. Fear of public ridicule and the wrath of his supervisor, he kept the entire incident under wraps.

Fast forward to 2016, days after the government abolished Section 377, Sareen wondered if now the time was to let the cat out of the bag. It was a risky move, but his sense of justice demanded that he should do something about this.

How should Sareen proceed with this dilemma? Should he forget the past and focus on his future? Should he confront Mehta? Should he publicize the entire affair as he promised?

QUESTIONS TO PONDER OVER

1. What are the various benefits of inclusive practices for an organization from an interpersonal dimension and organizational culture and business growth point of view?
2. If publicized, what sort of impact would it have on the internal and external brand image of the organization?
3. Are organizations only looking at diversity as a liability that needs to be dealt with rather than as a source of competitive advantage or something that adds to the richness of their human capital?
4. Is the talent acquisition process in any way responsible for inculcating this sort of culture?
5. What steps could be taken to battle this sort of sentiment brewing within the organization?
6. Is the problem only specific to Mehta or should it extend to include the colleagues who climbed the hate bandwagon?
7. What should the ideal characteristics of an inclusion and diversity officer be like?
8. Should Sareen be afraid of losing his professional dignity by taking this issue public?

CASE

2

The Balancing Act: Prioritizing the Internal and External Talent Acquisition at RKN Projects

The Vice President-Human Resources of RKN Projects, Ms Sudha Srivastav, was flabbergasted to see the results of the engagement survey conducted by her team. The rising attrition rate was adding to her misery. She knew that she would be called by the CEO to discuss the action plan to mitigate such critical issues which were hampering the productivity and growth of the organization. Her thoughts were interrupted by the knock on the door; the human resource (HR) Head of North Zone, Mr Ram Arora, approached her to discuss the urgency to set up a new commercial department at the Noida office. The mounting pressure of the current crisis made her realize that it was time to put things into order.

ABOUT THE COMPANY

RKN Projects has a celebrated history of acquiring major infrastructure projects, both nationally and internationally. The company has expertise in executing complex urban and industrial infrastructure projects. RKN Projects Ltd delivers projects using world-class management techniques while maintaining uncompromising standards of safety and sustainability. The company is focused on building skilled and competent teams in order to keep it ahead in business. Thus, they hire people who are team players as well as clear thinkers with the ability to simplify complex problems. The average age of an employee in the company is 36 years, which ensures a judicious mix of experience, new ideas and enthusiasm.

OPERATIONS

Being a multinational corporation, the company has operations in countries such as the UAE, South Korea, Kenya, Thailand, Nepal, South Africa and Ethiopia. It plans to establish future projects in Turkey and Eastern Europe by the financial year 2022–2023.

The RKN Projects' business is divided into the following categories:

- Plant and systems
- Construction and environment
- Transmission and distribution
- Transportation
- Heavy civil infra
- Urban built form

BUSINESS OUTLOOK

India is focusing on the all-round creation of infrastructure facilities, such as smart cities, high-speed transportation systems, dedicated freight corridors, metro rails, ports and airports, mass construction of residential houses, mega commercial spaces, irrigation projects, rejuvenation of rivers/canals, water treatment plants, rural electrification and so on. Business opportunities are high in this sector, and the company, having pre-qualification into almost all sectors of the infra domain, stands an edge over many players. Through 'centre of excellence', digitalization is being implemented in processes and procedures to achieve simplification, speed, perfection and 'institutionalization' of enterprise-wide learning.

HR PRACTICES

The company believes in maintaining a progressive culture. Hence, it ensures that a judicious mix of multiskilled people is maintained in their workforce. This was achieved by hiring talent from diverse sectors.

RECRUITMENT AND SELECTION

The internal and external source of recruitment is followed at RKN Projects. Sourcing is done through various platforms such as internal job postings, referrals, advertisements in newspapers and online career portals.

After screening the applications, the prospective candidates go through a rigorous selection process which includes psychometric tests and three rounds of interviews. For top management, the company prefers the services of headhunters and professional linkages across various networks.

The selected candidates undergo an extensive onboarding programme to facilitate their socialization within the company.

TRAINING

The strategic focus of the company has always been on imbibing a culture of ethics and transparency among the employees of all cadres. The various training programmes include functional training, E-learning platforms, leadership development programs and coaching and mentoring.

COMPENSATION AND BENEFITS

The average salary for the employee differs from one another based on the job profile and area of expertise. Performance-based pay is implemented at all levels to boost performance and competitiveness among the employees. RKN Projects follows sector benchmarking to ensure that rewards are sector and geography driven through specific market benchmarking studies being conducted once in two years. Long-term incentive plans help build strategic alignments between business growth and individual rewards.

REVAMPING THE ORGANIZATIONAL STRUCTURE

The senior management felt the need to redesign their organizational structure to reduce the complexity of their operations. The new organizational structure (Exhibits 2.1 and 2.2) categorized units under seven sectors. Each sector had a duly appointed project manager who overlooked four departments: finance department, commercial department, functional department and planning department. Given this restructuring, the head of HR, North Zone, was in a dilemma to appoint the head of the commercial department. He had two internal candidates under consideration: Mr Amit Parashar and Mr Lokesh Bakshi.

Mr Amit Parashar

He is one of the company's most admired employees and senior manager. Mr Amit Parashar is currently serving as a senior manager in the finance department. He has been with the company for more than 10 years now and has contributed a lot since he has joined. He joined RKN Projects as an assistant manager (finance) and rose the ladder with high potential. Currently, he is a critical talent for the company as he is perceived to be at risk of being poached by other competitors. He has always delivered results. He is now looking for a promotion. He has good experience in the company and also has very good knowledge about the business of the company and its culture. He is an expertise in the field of costing, taxation and treasury management.

EXHIBIT 2.1 Previous Organizational Structure

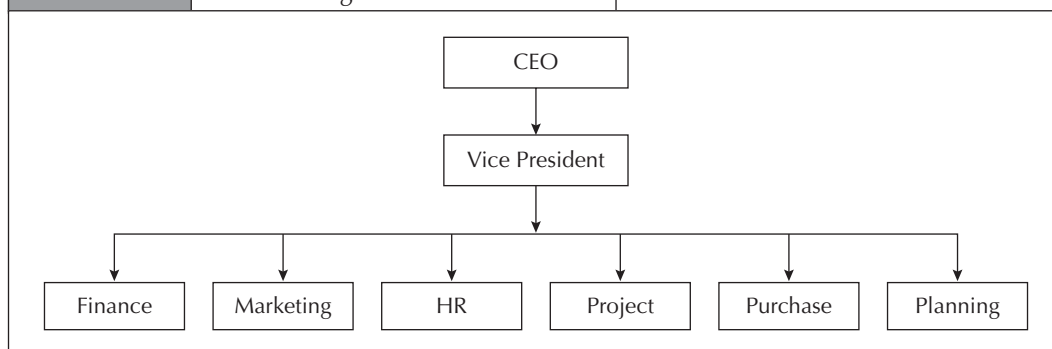
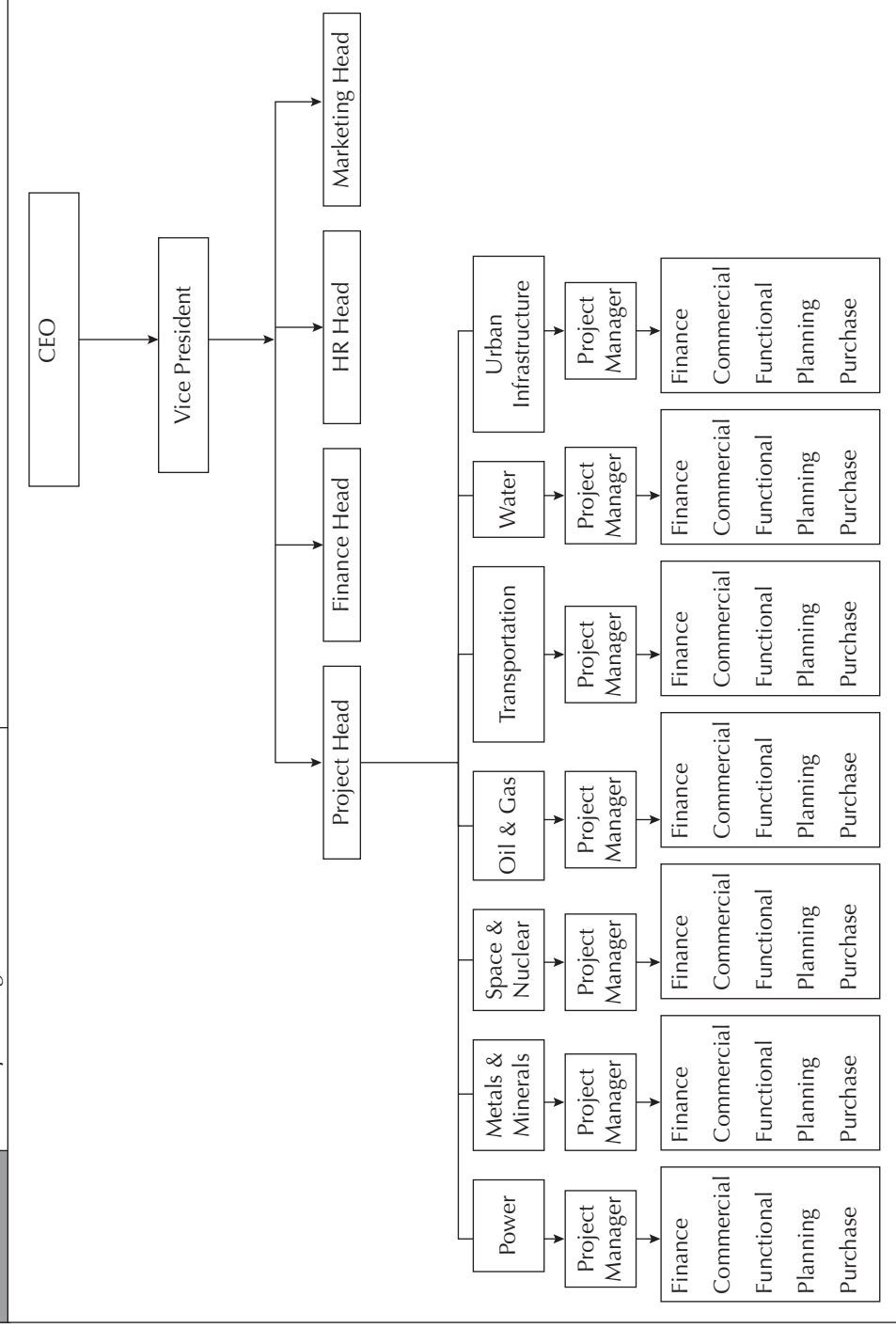


EXHIBIT 2.2

Revamped Organizational Structure



Mr Lokesh Bakshi

He was recruited last year as a senior manager in the purchase department. He was poached from RKN Project's competitor. He has previous experience of working in the competitor's commercial department for two years and hence is being considered for the position. He has a total work experience of seven years has never stayed in a company for more than three consecutive years. Ms Sudha Srivastav was involved in hiring him and knew his potential to lead the department.

RISING HR PROBLEMS

The attrition rate of the company was rising year on year from 5 per cent in the FY 2017–2018 to 15 per cent in FY 2018–2019. The engagement survey suggested that the Employee Net Promoter Score had fallen drastically over the past two years. The employees were disgruntled as they felt that the company was promoting external hires at all levels and was less focused on developing and promoting the internal talent. Moreover, they perceived a high level of inequity in terms of compensation and benefits. As per the business requirement, the Noida office has proposed to establish an exclusive commercial department under the power sector division to strengthen their operations in the northern zone and streamline the internal systems and processes. The commercial department consists of five teams: cost inflow team, cost monitoring team, taxation team, treasury management team and contract management team. The head of HR is facing a dilemma on how to hire employees for this department—through external hiring avenues or to promote internal hiring. Given the engagement survey results, the head of HR fears that internal candidates would show resistance to join the commercial department unless their development needs are honoured, and they are well compensated.

Given the internal turmoil within the company, the vice president of HR needs to formulate and implement an execution roadmap to save the reputation of the HR department as well as the brand value of the company.

QUESTIONS

1. What HR practices should be revamped or introduced in order to improve employee engagement and retention?
2. How should the company develop internal capability and maintain internal equity?
3. How should the HR head, northern zone, decide on hiring talent for the commercial department? (Exhibits 2.3 and 2.4)

EXHIBIT 2.3 Pay Bands

Pay Grades	Lower Limit	Average	Upper Limit
Band 6	5,000,000	6,000,000	9,000,000
Band 5	3,000,000	4,500,000	6,500,000
Band 4	2,000,000	3,000,000	4,000,000
Band 3	1,000,000	1,300,000	2,000,000
Band 2	300,000	500,000	1,000,000
Band 1	50,000	150,000	200,000

EXHIBIT 2.4 *Balance Sheet of RKN Projects*
Standalone Balance Sheet as at March 31, 2018

All amount are in ₹ Lakhs unless otherwise stated

ASSETS	Note No.	As at 31-Mar-2018	As at 31-Mar-2017
Non-current assets			
(A) Property, plant and equipment	4	34,964.20	29,023.82
(B) Capital work-in-progress	4	2,670.34	253.10
(C) Intangible assets	5	1,271.66	424.57
(D) Intangible assets under development	5	922.92	445.97
(E) Financial assets			
(i) Investments			
a) Investments in joint ventures	6	44.40	—
b) Other investments	7	6,663.12	5,671.84
(ii) Trade receivables	8	18,304.51	16,220.24
(iii) Loans	9	240.22	207.10
(iv) Other financial assets	10	6,317.03	1,906.69
(F) Deferred tax assets (net)	11	8,778.73	7,344.95
(G) Non-current tax assets (net)	12	10,364.36	7,400.94
(H) Other non-current assets	13	5,889.28	6,694.61
Total non-current assets		96,400.77	75,593.83
Current assets			
(A) Inventories	14	2,48,956.15	1,56,674.77
(B) Financial assets			
(i) Trade receivables	8	3,88,946.79	3,38,370.88
(ii) Cash and cash equivalents	15	55,097.66	32,615.13
(iii) Bank balances other than (ii) above	15	28,073.10	4,215.59
(v) Other financial assets	10	1,32,450.88	48,866.04
(C) Other current assets	13	1,06,872.88	78,956.93
Total current assets		9,60,397.46	6,59,699.34
Total Assets		10,56,798.23	7,35,293.17
EQUITY AND LIABILITIES			
Equity			
(A) Equity share capital	16	2,025.00	2,025.00
(B) Other equity	17	1,17,142.33	1,00,610.76
Total equity		1,19,167.33	1,02,635.76
Liabilities			
Non-current liabilities			
(A) Financial liabilities			
(i) Borrowings	18	27.94	8.36
(B) Provisions	19	3,382.53	3,047.07
Total non-current liabilities		3,410.47	3,055.43
Current liabilities			
(A) Financial liabilities			
(i) Borrowings	20	1,51,172.44	68,095.49
(ii) Trade payables	21	3,68,237.47	2,60,966.90
(iii) Other financial liabilities	22	17,464.84	11,469.57
(B) Provisions	19	739.23	569.71
(C) Current tax liabilities (net)	12	1,759.97	68.75
(D) Other current liabilities	23	3,94,846.48	2,88,431.56
Total current liabilities		9,34,220.43	6,29,601.98
Total liabilities		9,37,630.90	6,32,657.41
Total Equity and Liabilities		10,56,798.23	7,35,293.17

See accompanying notes forming part of the standalone Ind AS financial statements 1-33.18

CASE

3

Talent Mismanagement at Daikin Air Conditioning Pvt. Ltd India

DILEMMA RELATED TO TALENT MANAGEMENT AREAS

Daikin Industries Limited (DIL) is a world leader of heating, ventilation, and air conditioning (HVAC) and manufactures the greatest number of air conditioners (ACs) worldwide. In India, Daikin is the second leading manufacturer of HVAC. Although the market penetration is in place, Daikin majorly succeeded through manufacturing and not through post-sales services. Daikin does not have proper functional systems in place as far as training is considered; there is a lurking gap between training and training effectiveness.

The company has failed to leverage technology. For instance, it took three years for the Assessment Centre/Development Centre (ACDC) team to convince the top management of LMS. LMS application was finally bought for 30 lakhs in 2019 from Cornerstone.

The main dilemma which the company is facing is regarding management responsiveness towards new talent management functions. Also, the other dilemma that the (ACDC) team faces is employees themselves are reluctant to adapt to new changes that are brought in by the HR and the ACDC team at Daikin.

HISTORY OF DAIKIN INDUSTRIES LTD

DIL, founded in 1924, is a global leader in air conditioning with a robust footprint across the world in terms of its infrastructure and employee base. With over 47 factories worldwide and an employee strength of around 40,000, Daikin recorded a revenue of over \$14 billion in FY 2009–2010. The company stood second in terms of the world's largest HVAC company in terms of revenues. The financials of Daikin India as of 31 March 2018 is given in Exhibit 3.1.

Daikin entered India in 2000 as a joint venture in a joint venture with Usha Shriram Group in an 80:20 partnership under the brand name Daikin Shriram Air Conditioning. In 2002, they introduced the variable refrigerant volume (VRV) technology in India for their ACs. By 2004, it became a wholly owned subsidiary of DIL Japan. This allowed the company to receive the transfer of technology, know-how and supply chain linkages along with the representation of DIL in the DAIP's board of directors. To reinforce its localized production strengths, the Neemrana facility was introduced in 2008, with

EXHIBIT 3.1 *Financial of Daikin India as of 31st March, 2018*

Operating Revenue	Over ₹500 Cr
EBITDA	▲38.71%
Networth	▲15.53%
Debt/Equity Ratio	0.00
Return on Equity	13.40%
Total Assets	▲11.78%
Fixed Assets	▲53.40%
Current Assets	▲4.34%
Current Liabilities	▲3.62%
Trade Receivables	▲14.55%
Trade Payables	▲11.29%
Current Ratio	1.96

Source: Tofler.in

production starting in 2009. The production numbers of 34,000 in 2009/2010 showed a lot of scope for improvement and a state-of-the-art production facility could have assisted in raising these numbers.

CULTURE AT DAIKIN

The culture at Daikin is majorly top driven. Executive decision-making and relevant action points trickle down from the top management level and implemented throughout the organization in tandem with the shared mission, vision and values. The learning and development (L&D) function of Daikin has not been leveraged to its full efficiency due to the existing structure of the HR sub-function. Traditional methods are employed at Daikin which are monotonous and have become stagnant with respect to ever-changing volatility, uncertainty, complexity and ambiguity environment.

Feedback-driven culture has become redundant at Daikin as the management style of L&D is still very rustic and pen–paper based, although this is just the tip of the iceberg. The data collected is not analysed, and hence, the inferences and conclusions drawn are not entirely evidence based. Daikin did not even have an LMS before 2019 to facilitate a learning culture within the organization. The line HR, apart from L&D, is proactive in nature, but due to conservative upper management, the initiatives suggested by HR are not taken very seriously. This has resulted in the misalignment of processes with organizational needs. To further substantiate this issue, Daikin still does not have a human resource information system to keep track of HR metrics and empirical data.

Sustainability is omnipresent in Daikin's operations and process. Daikin's culture promotes value creation for the environment by mitigating and reducing greenhouse

emissions and carbon footprint. One prominent red flag at Daikin is the lack of data-driven culture. Decision-making is based on qualitative opinions rather than hard facts. This might be one of the deterrents to the growth of the company. Although the sales channels are well defined at Daikin, which leads to sustainable growth in monetary terms, internally, the decision-making is not data driven.

TECHNOLOGY INNOVATIONS AT DAIKIN INDIA

Daikin had built its reputation on the foundation of the engineering acumen of its resources. However, the air conditioning industry was prone to the challenges of low differentiation and constant innovation. The innovations were easily replicated and did not allow a sustainable competitive advantage for the product. For example, the energy-efficient inverter ACs were getting absorbed by every company's portfolio and left little room for differentiation in the market. Finding the right innovation along with the optimum investment of resources could be conducive to the company's efforts to build a better product that could guarantee profitability.

Daikin was awarded the 'Most Energy Efficient Air Conditioner Award' by the Government of India in 2017 for its fixed and variable speed ACs. The company had incorporated the inverter air conditioner technology (refer Exhibits 3.1–3.2) in its products which allowed a better energy efficiency and lesser electricity bills from the usage of these ACs. The technology also allowed more power, more energy efficiency and comfortable usage when compared with the non-inverter ACs.

DIL has an R&D system in place. The company has a lot of patents in its name, and when it comes to making ACs, Daikin does make the best ACs. The R-32 refrigerant which Daikin innovated is used by major AC manufacturers and is the first environment-friendly refrigerant to cut down on chlorofluorocarbons emissions. The earlier refrigerant used was freon which Daikin replaced with R-32, its own patent. Also, the world-famous centralized VRV system is patented by Daikin.

Daikin gives a lot of importance to its research and development. The R&D department is centred at Neemrana, Rajasthan, and is the very first of its kind. The soundcheck system room at Neemrana is the only one in India with any of its competitors.

VARIOUS TRAININGS AT DAIKIN INDIA

Even though training effectiveness and training need identifications were never in place at Daikin India, it invested a lot in pieces of training pertaining to various sales and applied businesses that Daikin has. When it comes to training and development at Daikin, there has been a lot of gaps, which were never identified and addressed by the company themselves. Being a sales and manufacturing company, the management gives a lot of impetus to train and provide training to mostly the sales and applied business and the rest of the department has never been given much importance when it comes to upskilling and upgradation.

Before getting into the various pieces of training at Daikin, it is important to know the various strategic business units Daikin has. Daikin has the following SBUs:

1. *Service (AB)*: Tends to the customer service of applied business (AB)
2. *Service (non-AB)*: Tends to the customer service of non-applied business
3. *RA sales*: Sales team of the light commercial ACs
4. *AB*: Sales team of the VRV and chillers
5. *Technical support*: The servicing and installation team of Daikin
6. *Production and manufacturing*: Tends to the various production and manufacturing activities.
7. *Quality check*: The quality control team of Daikin
8. *HR*: People management team at Daikin
9. *Marketing*: The marketing team caters to various marketing strategies
10. *Finance*: Looks after various financial compliance and auditing.
11. *IT*: The IT team of Daikin
12. *Key account*: This team looks after the topmost priority clients at Daikin
13. *Training and development*: The ACDC team at Neemrana looks after various training activities at Daikin

PRODUCTS AT DAIKIN INDUSTRIES

With the various SBUs Daikin has, Daikin has been able to diversely produce and manufacture various HVAC products. Daikin deals with various products, the most important being:

1. Light commercial ACs
2. Residential ACs
3. Centralized VRV system
4. Industry chillers
5. Duct tapes

The various pieces of training that Daikin conducts for these departments and products are and their training performances and Training expenses for FY 2017 and FY 2018 are given in Exhibit 3.2.

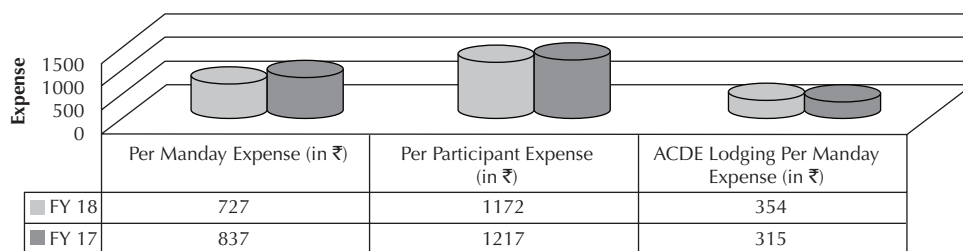
Although these reports show a lot of investment in training and development, Daikin failed to proactively utilize all the pieces of training, and there were gaps on various playing fields. There was no training need identification done, and as mentioned earlier, training effectiveness was taken via a pen and paper mode just for the sake of formality. As a result of this, even though Daikin kept on innovating new products with sophisticated technology because of the training gaps, the same set of trainers provided the same set of training. This resulted in a lot of customer complaints which kept on increasing and Daikin failed to respond to these complaints effectively. The customer complaints are given in Exhibit 3.3. Daikin realized these loopholes and planned to do something about it, especially the ACDC team at Neemrana, Rajasthan.

EXHIBIT 3.2

Various Training Expenses and Summary of FY 18 Training Calendar at Daikin India

DAIKIN**Summary of FY 18 Expense**

Year	FY 17 Result	FY 18 Result	% Change
Training Mandays	23062	26008	13
No. of Participants	15847	16132	2
ACDC Lodging Mandays	11080	9865	-11
ACDC Lodging Utilization	58%	52%	12
Training Expense (in ₹)	11024000	14402000	31
ACDC Expense (in ₹)	3493701	3494822	0
JIM Expense (in ₹)	2417431	484665	-80
CoE Expense (in ₹)	2357306	532324	-77
Total Expense (in ₹)	19292438	18913811	-2
Per Manday Expense (in ₹)	837	727	-13
Per Participant Expense (in ₹)	1217	1172	-4
ACDC Lodging Per Manday Expense (in ₹)	315	354	12

FY 17 Vs FY 18 Comparison**ROAD AHEAD**

The top management needed three years of convincing from the AC/DC Team at Neemrana which foreshadowed the fact that Daikin had set rules and regulations, and they were not willing to modify it for the better. Daikin was content with the system they have had in place, showing their resistance to change.

Consider yourself as Ravi and answer how would you solve the following problems.

1. What are some of the brief suggestions you would give in order to improve the work standards at Daikin?

EXHIBIT 3.3 *Various Customer Complaints across Various Social Media Platforms***Mohik Garg**

2mo ...

Associate at Cognizant Technology Solutions

This is regarding AC installation,I have purchased new AC on 10th June 2019, clearly mentioned sales representative that I will be traveling on 14th June,so I need to get it done by 13 th June,if you are able to make it installed till then I will proceed .Till now I have no clue when it will get installed.Called customer care as well as service center 100 tim ...see more



3 Replies

Load previous replies

**Mohik Garg**

2mo ...

Associate at Cognizant Technology Solutions

Daikin Airconditioning India Pvt. Ltd.Hi Team,
I have written to this customer care of so many times,but no response till now.

Can you please look further.

...see more

**Ankush Goel** • 2nd

2mo ...

Vice President | Capital Markets | Digital Leader at Genpact Headstrong C...

Useless company with even poorer service. ACs stop working beyond 40degree C and no one turns up for service irrespective of followups and duration of complaint.
Pethatic company.

**Pankaj Garg**

2mo ...

Manager Technical

Great Video, I think I must do the same instead of putting faith on your air conditioner and after sales service which is pathetic to the core.

Change the way you treat existing customers and your easygoing attitude. This will impact you only as a brand and please train your team to raise above apologies and swiftly close service request.

Small players are much active and faster to react and you are busy cost saving and cost monitoring yourself to show profitability.

Today you loose one customer tomorrow you will loose more those are suffering the kind of service you provide.

Some product are meant to be good inside the cartons or with rag picker. (edited)

2. Discuss the probable losses that Daikin is encountering due to the organizational level culture?
3. Owing to the increasing number of customer complaints, what are the probable steps Daikin can take to subdue them?
4. Any progressive organization has to be agile and continuously learning in today's ever-changing business context. Develop a roadmap for Daikin to make this shift owing to the company's culture and employee's reluctance to become more agile and learning focused.
5. How does talent management work with the L&D team of Daikin to understand the mapping of talent requirements with training needs in these technological shifts?

CASE 4

Engaging the Restless and Reckless Gen Z: A Case Study of E-commerce Start-up Zappfresh

Aakash: Good morning, ma'am!

Shruti: Good morning. Have a seat. Tell me, what brings you here.

Aakash: Ma'am, there is a lot of work that has been assigned to me. I am unable to figure out how to prioritize them, and you expect me to complete all of these in 15 days. I do not think that is fair. I am stressed due to the workload, and hence, I decided to talk to you.

Shruti: But Aakash, you showed interest to work in digital marketing and that is why we have assigned the task to you. You cannot back out now from what you have committed earlier.

Aakash: Yes, ma'am! I agree, but how could you expect me to finish these tasks within the deadline. I am new to this field, and I need to learn right now.

Shruti: Ok! You may go now. We will figure something out but keep working on the assigned tasks.

After Aakash left, Shruti went back to her thoughts. Aakash was a fresh graduate hired in the product development team. He, himself, had asked Shruti to assign him tasks related to digital marketing. Shruti had even thought of increasing his compensation accordingly. But, after today's meeting, she wondered why today's generation is so impatient. They want to take all the jobs at hand but are unable to complete even a single task successfully. Moreover, they leave the tasks mid-way. They do not have a sense of responsibility. And, above all, they have a ready-made answer for every problem that they are too stressed due to workload.

Shruti knew that it was time to find answers to a lot of problems. Are they attracting and selecting candidates who are truly aligned to their culture? What could be done to engage and motivate the Zillennials? She was also aware of the high attrition rate. She found herself helpless to understand the psychology of Zillennials as to what factors are important to make them work enthusiastically for an organization.

COMPANY AND INDUSTRY OVERVIEW

About the Organization

Started in 2015 by Shruti Gochhwal and Deepanshu Manchanda, the first online meat brand of India, Zappfresh delivers a complete 360-degree farm to fork experience to its customers.’

Zappfresh is a leading meat brand in India that is based on a farm to fork model for fresh meats and seafood that starts right from working closely with farmers to temperature-controlled end delivery to the customer at their doorstep.

Zappfresh operates in the e-commerce industry but is not a part of the e-commerce marketplace since it sells its own products on the website and does not have any third-party vendors.

The meat buying experience in India is very unappetizing owing to the fact that Indian butcher shops are unhygienic, dirty and sell inferior quality meats. The biggest problem is the lack of trust in quality in consumer minds. While major food apps, such as Swiggy, Uber Eats and Zomato, have provided a convenient way for people to order food anytime and anywhere, there is not much that has been done specifically for meat lovers. The hygiene conditions of where the meat products are sold are also one of the major concerns of the consumers in India. With an easily accessible online platform, the consumers will not have to settle for what is convenient, but they can get what is actually fresh, hygienic and good for health. Zappfresh is making authentic and pure whole meats accessible to consumers in India and hence entering into the e-commerce industry to sell meat was an opportunity that Zappfresh knocked.

Zappfresh has raised ₹27 crore in 3 funding rounds so far (2019), including ₹20 crore in pre-Series A funding from Amit Burman, Vice Chairman, Dabur India and SIDBI Venture Capital.

Zappfresh had 120,000 revenue in the first year to \$8 million revenue ARR in the fourth year.

Zappfresh Offerings

- Orders can be placed on the Zappfresh website or iOS/Android app
- Guaranteed delivery at the customer’s doorstep in 90 minutes
- Wide variety of fresh raw chicken, lamb, goat, fish and seafood
- Vacuum packed meats for safety and hygiene
- Delivers in Delhi, Gurgaon, Noida, Mohali, Ghaziabad, Chandigarh and Panchkula

Mission Statement

‘To keep raising the bar of the fresh meat experience for consumers in India.’

Competitor

Zappfresh competes with Bangalore-based gourmet meat start-up, Licious, which is backed by Mayfield India and 3one4 Capital.



Key Figures and Estimates

1. Non-vegetarian consumption in India is estimated at 15.0 million metric tonnes in FY 2021, growing at a CAGR of ~2 per cent.
2. Overall meat market is estimated to grow at a CAGR of ~7 per cent and is expected to be a \$54 billion market in FY 2021.
3. Online meat market is estimated at \$40 million in FY 2019 and is expected to touch \$320 million by FY 2021.

THE INSOLUBLE CONUNDRUM

The biggest challenge being faced by the company founders in the talent management domain is the 'Zillennials' style of working in the organization. Although Zillennials bring a different aura of energy to the workplace, managing them has been one of the pain points for its founders, Deepanshu Manchanda and Shruti Gocchwal. Some of the reasons of which are as follows:

1. Zillennial's lack of sense of commitment towards the work.
2. Availability of a large number of jobs and start-ups to work with in the industry.
3. Lower patience in terms of growth in the organization.
4. Lower sense of responsibility.
5. Myopic attitude towards long term consequences.
6. Mismatched compensation expectations with the quality of work delivered.

The decisions made by the Zillennials disrupt society as well as the company they work for. And due to such decisions, the gig economy is becoming an increasing market, where individuals have a flexible or contract job with one or more firms. Freelance work appeals to Zillennials more than full-time employment. According to the 2019 Deloitte Global

Millennial Survey, 84 per cent of millennials and 81 per cent of Generation Z'ers say they would consider freelancing. What is more alarming is that this figure is higher in India, where 94 per cent of millennials and Gen Z'ers prefer gig work.

CHALLENGES WITH GENERATION Z AT ZAPPFRESH

The major challenges faced by start-ups employing Generation Z include the following:

1. *Dealing with their high aspirations:* Generation Z has this trait that they want to reach the zenith in the minimal time, and that is somewhere employer's find it difficult to furnish that.

Like Tanisha who worked as an executive at ZappFresh could not figure out a reason why she should not be promoted to the position of senior executive given the fact that she outdid all her tasks. Later, when she found that what she did was not enough to get promoted, she quit the job without giving it a second thought.

2. *Increasing attrition rates:* On failure of providing them with enough opportunities and growth, the generation tends to leave the organization because they do not think it is a big deal to get another job where their careers are better taken care of.

One of the cases at ZappFresh is of two friends Shekhar and Annie. Both of them joined together and figured ways of staying in the same team because they worked best when together. Shekhar, however, could not meet deadlines and got into a tiff with his team lead. On being dejected by his team lead, he decided to leave the company. Annie, who was doing really well and without being involved in the scenario, was pulled out by Shekhar from the company because one could not stay if the other had to leave. How do start-ups like ZappFresh go about handling such issues where they lose out on more employees even if one is slightly mishandled, eventually costing them double the amount.

3. *Impulsive decision making:* Another huge difficulty is their approach towards decision making their readiness towards picking up certain aspects of their job and then not being able to comply with them when there is a need. For instance, the person in this case enthusiastically picked up responsibilities pertaining to digital marketing, which were not fulfilled at the given deadlines.

Adhiraj, the project manager at ZappFresh, while working on a project delivery got into an argument with one of the suppliers who was in business with the company since its inception. The supplier could not approve of Adhiraj's quotes because of the current market costings and asked him to ask his superiors to get in touch with him as he thought of Adhiraj to be new personnel mishandling financial matters. This took a toll on him, and he fired the supplier and asked him to never get into business with him if he cannot respect him for where he has reached. The next supplier who was contacted, eventually quoted more than the previous one and didn't even make timely deliveries ultimately costing the company a huge chunk which could have been avoided if Adhiraj could curtail his temper and handle the situation better.

4. *Decreasing employee engagement:* No matter what you do as an employer to keep your employees engaged, the moment you falter at one space, the entire palace shatters. If you seem to favour another employee, if you question an employee's capabilities in the angst of they not being able to complete the deliverables or if you do anything that agitates Generation Z, you have most likely lost that talent, and it will be very difficult to get them onboard post such an incident.

As a result, people at ZappFresh have been asked to play games more often, take breaks for every hour of work they do, snacking and munching is an all-time thing, live streaming of cricket and football matches, bean bags instead of chairs and desks are kept to make things more fun and to make the place more workable.

TALENT MANAGEMENT AND HR PRACTICES AT ZAPPFRESH

Setting Clear Expectations and Aligning Organizational Goals

Without a clear comprehension of job expectations and staff flounders, Zappfresh makes sure that each member of the team is required to understand precisely what they are accountable for, the objectives they are working towards, and how they will measure their achievement against those objectives. To know where they fit in the business and how they contribute to its general achievement, they are also provided context.

To do this, the company makes sure that our entire workforce knows and agrees with the primary company objectives of the company. Tying manager, team and individual objectives to the mission of the company help us generate a context for department-level initiatives and duties, providing a better context for your contributions to your staff.

Also being a startup, our priorities keep changing basis our experiential learning. If a goal we set in the first quarter is no longer relevant, we do not want to see staff concentrate on it coming in the third quarter. Reviewing objectives often guarantees that they represent the present priorities of the company.

Going beyond Regular Performance Assessments

Regular performance assessments provide an opportunity to review past accomplishments, present difficulties, continuing objectives and growth of skills. They also open a dialogue to discuss performance gaps, career ambitions and growth plans. But the company makes sure that feedback does not end once there is an annual performance assessment.

Here, managers provide ongoing mentoring, coaching and support to maximize performance. Employees are provided with regular quality feedback on how they can improve with specific details.

Moving beyond performance assessments to real performance management involves a coherent cycle of assistance and enhancement.

To add to this, Zappfresh has also incorporated the practice of choosing and rewarding 'Employee of the Month' and the 'Team of the Month'. This motivates the employees to perform well both at the individual and the team well and keep the momentum high.

Provide Opportunities for Professional Development

Once performance gaps are recognized, the staff understands precisely what abilities they need to create to advance their career. A powerful commitment to creating fresh skills in current employees is leveraged to assist them to take action and enhance their efficiency.

These programs provide interactive, on-demand content to help us groom employees and build a talent pool of high-potential workers that can fill vacant roles as they arise.

Initiating Learning and Development

Zappfresh is at a very nascent stage. Thus, it is now starting to build its own Learning and Development structure in the organization. This shall focus on the need-based learning from the employees' end as well as the organization's end. The training shall initially be the third party sourced and down the line they aspire to have in house training.

Employee Engagement

Most of the workforce of Zappfresh is in the mid-20s. Thus, the company does not work like a traditional organization. It makes sure that it fosters a flexible culture for its employees and keeps them engaged. There are initiatives, such as cricket matches on the weekend for the employees to bond beyond work, lunches on the house and to dive deep into the millennial and zillennial spirit and sports match screenings are arranged in the office. Thus, the initiatives are in sync with the kind of workforce it employs.

A STEP FORWARD

The continuous series of events put Shruti into pondering over what should she do in order to retain zillennials in her workforce. She valued zillennials in her workforce in the sense that they brought new energy and new perspective to the workplace. However, this was accompanied by a set of unprecedented challenges that came along with them.

As a part of the first step towards resolving these issues and realizing her aspirations of making her company flourish and one of the sought-after places to work in India, she decided to have a one-to-one discussion with her zillennial workforce.

This is what they had to say:

1. *Shreya (work experience = 1 year)*: Honestly, I love working at Zappfresh. After all, this is my first corporate job, and it entails my first corporate exposure. However, the major hindrance that I have been facing here is the lack of mentorship. I am at a very nascent stage in my career; thus, I also have aspirations to grow myself in the coming time. Every day, I have a ready set of deliverables that are to be delivered to my boss. However, there is no clear idea about what next. What is in me for it? How does this company aspire to grow me?

2. *Rishabh (work experience = 2 years)*: Two years is a long time to spend in a company, at least in our era. In the earlier days, I used to feel this rush when I got up each day to come to the office. But, now, everything seems so constant and monotonous. It is like complacency has made a permanent haven in my career. I have been doing what I have been doing for the past two years. I want myself to be groomed and trained in additional skill sets which I can add to my career growth and profile. But there are not enough learning and development opportunities here.
3. *Harnoor (work experience = 6 months)*: It has not been very long since I have been working at Zappfresh. I joined a startup because it offers tons of learning opportunities. Although I get paid a lot less than what my college friends are being paid at their companies, it is the exposure that drives the people from our generation towards a start-up. I aspire to derive maximum learning at this company along with a lot of fun! You know something like work-life fun integration!

THE DILEMMA

‘Oh my God, they have their own set of issues. I am sure something needs to be done so that both Zappfresh and its employees can stay satisfied with one another’, thought Shruti.

Sipping her cup of coffee, Shruti sat down to find the answers to the following questions:

- Zillennials find it very easy to switch jobs, if not satisfied, as there are a lot of opportunities available in today’s market. What can Zappfresh do to reduce attrition?
- What strategies can Zappfresh follow to change the sloppy attitude and to increase employee productivity?
- What can Zappfresh do to engage and retain Generation Z?

CASE

5

Managing Talent during Mergers: A Case Study of Vodafone and Idea

VODAFONE

Vodafone is a company headquartered in London and Newbury. It is a renowned British Telecommunications conglomerate. The company was established in the year 1994 in India. The company has a global presence across Asian, African, European and Oceanian regions. The company, Vodafone, is ranked fourth when it comes to the number of mobile customers it has among all the mobile operators present globally. It is ranked after China Mobile, Bharti Airtel and Vodafone Idea (after it got merged with Idea).

When it comes to the global footprints of the company, the company operates from 25 countries and has partner networks in 47 countries, apart from the previous 25 countries. The company not only has business-to-consumer existence but also business-to-business where it provides its services to corporate clients in 150 countries through a Vodafone Global Enterprise division, exclusively made for this purpose.

In the Indian market, Vodafone India exists as a subsidiary of the UK-based Vodafone Group and is into the telecommunication service market of India with the head office in Mumbai. After Airtel, it is termed as the largest mobile telecommunications network in India with a market share of 21 per cent.

IDEA CELLULAR

Birla Communication Limited, founded in 1995 by Kumar Mangalam, emerged as Idea Cellular Limited in the year 2005 after lots of mergers and acquisitions and got listed in National Stock Exchange and Bombay Stock Exchange in the same year. It became a PAN operator in 2009.

As per the annual reports, the company is earning a revenue of \$5 billion with a market share of 6 per cent. Also, it ranked sixth in terms of the global ranking of operators with a subscriber base of around 200 million. The company marks its presence across 4 lakh towns and villages.

The company is not just a mobile operator. Rather, they are integrated digital services and solution provider along with being a mobile operator. Under digital services, they offer products and services such as communications, digital payments, cloud and storage and digital information. This all has been done to deal with the disruption in technology lately.

Idea delivers its world-class services through an extensive network of customer touch points that comprises Idea outlets, call centres, digital application and social media.

VODAFONE IDEA LIMITED

Vodafone Idea Limited, India's leading telecom service provider, is emerged out of the grand merger of two market players, Idea Cellular and Vodafone India. The merger happened in 2018 and is termed as the partnership of Aditya Birla Group and Vodafone Group. Vodafone owns a 41.5 per cent stake in the combined entity; Aditya Birla Group has a stake of 26 per cent, and the rest 28.9 per cent is owned by Idea. Also, under an agreed mechanism, Aditya Birla Group has the right to acquire up to 9.5 per cent additional stake from Vodafone in order to equalize the shareholding over time.

As the disruption entered the market due to the launch of a new telecom operator Reliance Jio, which reduced the margins by offering free voice calls, the two entities decided to merge to cope with the disruption. In this way, they could bring down the cost of operations of both the companies and give them relief from the reduced margins. So with this merger, the company will be able to provide a 4G spectrum in all telecom circles of the country.

When it comes to the competition, the merger helped the company to beat Bharti Airtel and rank second in the Indian market after Reliance Jio.

Now, the company operates in pan-India locations and offers its data services and voice services across 2G, 3G and 4G platforms. The company commits to deliver delightful customer experiences.

WHOSE TEAM ARE YOU ON?

Kunal entered the office with a bowed head and swiftly walked towards his work station. Instead of his regular happy wave, he avoided eye contact with everyone. Tina, his team lead, immediately noticed this. Kunal's jolly behaviour used to be the centre of attention at Vodafone. But Kunal was not the only one. Tina decided to discuss this with her seniors. All the people from Vodafone sat together and only spoke to each other. The air of competition and unhealthy attitude had not waved off, in spite of repeated attempts by the management. Where were they going wrong?

As soon as the finances had been discussed, Tina asked her seniors to stay back.

'If this continues to go on, we will never be able to reach consensus about serious matters. All the ideas proposed by Vodafone will be viewed suspiciously by the Idea employees and vice versa. We have an external force to fight and this can definitely not happen in an unhealthy environment like this.'

After an hour of brainstorming, they realized that most of the inclusion activities were unintentionally increasing competition between the employees of the two companies.

'We need to come up with an inclusion scheme which will make the employees friends with each other and not just co-workers.' Tina could not help but suggest a company

theme song. Her senior smiled, 'You are never going to let go of your musical background, will you?'

'Good habits are meant to be kept!' Tina smiled.

All the preparations for the team party had been made. 'Will you be there at the party tonight Kunal?' Kunal was caught unaware. He quickly fumbled something about having a family emergency. 'Unacceptable!', exclaimed Tina, 'You need to be there.' Tina knew that Kunal did not want to come to the party as most members of his team were from Idea. The demotion of his title had left Kunal questioning in worth. This coupled with the unknown environment created by the merger had made Kunal lose his charm.

The party was a raging success. Tina walked around the office the next morning content people were actually smiling at each other. Having team-wise separate interaction schemes and training processes had finally made the employees think they were a part of a team and not just competitors from organizations of the same industry.

Just when she was entering her cabin, she overheard two employees bad-mouthing about a third employee. He is only in the organization because of the team lead. He would not even have been selected to be employed at Idea.

'Baby steps', thought Tina, 'Rome was not built in a day.'

FINALLY, SOME RESULTS

Two weeks later, the company's theme song finally arrived.

'What should we name it? How should we launch it?'

Tina's senior, Rahul, had always appreciated Tina's passion for the organization. He had been scared about Tina's reaction after the merger. But Tina was doing wonders. Not only the organization's culture was getting better, but also, he could feel a friendly air replacing the stiff unhealthy competition.

Tina called the HR team, 'We really need to come up with a plan about how to launch the company's theme song and what to name it?' 'Give us two days' time, we'll definitely get back to you.' The HR trainee paused mid-sentence and waved hi to Kunal, 'How are you doing buddy? Can you wait for me to complete this conversation? I need to speak to you. It will not take long.' Tina looked up to see a familiar upbeat Kunal, nodding in reply. The integration program was definitely working.

THE INTEGRATION PROGRAMME

The various activities conducted in the L&D sphere of the organization most the merger included the following:

- *Know your team:* To effectively integrate the distinct workforces of the two companies post the merger, a know your team was conducted. It involved the various team members sending a video introducing themselves to their respective team leads. The purpose of this activity was to make the various employees familiar with each other.

- *Team-building activities:* To promote efficiency amongst the newly formed teams under the merged entity various workshops focusing on team building activities were initiated
- *Process training:* To avoid the hindrances caused due to partial/no knowledge of each other processes various training sessions were conducted. This ensured that the employees know how to operate using a different process.
- *Process integration:* So as to be able to operate on a common platform, various processes and practices of the two companies were integrated or the better of the two practices were chosen.

Apart from the above activities in the L&D sphere, a theme song titled 'Judoo Uroo' was introduced as the caller tune for the employees of the newly formed entity.

The rigorous integration and learning and development programme had taken intricate planning and dedication. People had to spend extra time at the office. Not everybody was happy; people complained and called the management ineffective. They did not appreciate the extra effort that the integration process required.

All the hard work was finally paying off. People had accepted their co-workers irrespective of the previous organization that they had been working for.

A TWIST AND AN ENDING

The company theme song would be the perfect ending Tina thought happily.

But the theme song party turned out to be a complete disaster. There was a power failure in the city. Everybody was hot and bothered. The musician's instruments were not working, and the mike was inaudible.

Tina was shocked; She never had an event planned by her turn out to be such an utter failure.

Rahul made his way through a noisy crowd to Tina:
'Congratulations!'

Tina immediately coloured thinking it was a sarcastic comment, but Rahul fondly patted her on the head and said, 'Tina people are still hanging around in this hot room simply because they love the company of each other. The inclusion programme was a success. We could not have asked for better results. And unnecessary tensions about uncontrollable things should be definitely let go.' he winked.

On cue, the musicians decided to do an unplugged number and started singing the company theme song. It was so catchy that people immediately started singing along.

The next day, Tina entered the office in a chirpy mood.

Rahul summoned her in his cabin and informed her that the finance team from Vodafone and Idea were just not reaching a consensus about the next year's budget. He saw Tina's face fall. He did not mean to disappoint Tina; he appreciated her efforts, but this was the real scenario. Where had they gone wrong? He wondered. Was there anything they could have done differently?

He looked up to see Tina's disappointed face. Was he going to lose his only hope also?

QUESTIONS

1. How could the inclusion programme be made better?
2. Could Tina have handled Kunal's situation in a better manner? If yes, how?
3. How should Rahul show appreciation for Tina's out of the way effort for the organization?

CASE

6

Understanding the Talent Management Challenges during Relocation at Oilsix Limited

Saurav Sharma rubbed his temples with a sigh. He was looking at the attrition data of his vertical (Exhibit 6.1a). Last year, the attrition rate was a healthy 9.8 per cent. For the last 10 months, he had seen the number increasing at an alarming rate. Right now, the turnover rate was 54.18 per cent, more than five times the rate of last year. Out of the 298 employees who had left, 137 of them were high potential employees working at critical positions (Exhibit 6.1b). It was likely that this number would continue to increase if things continued to go on the way they were.

Frustrated, Saurav got up from his desk and stood near the window. As usual, the steady Mumbai rain made it difficult to see outside. He fondly remembered his old office in Bangalore, where the rain was just a drizzle which made the weather cooler, unlike Mumbai, where the rain just contributed to the stifling heat.

A year ago, he was seated in the Bangalore office of Oilsix Limited. Out of the blue, the management announced that the whole office would be shut down, and all the employees were required to relocate to Mumbai. As the HR head of the Vertical of Engineering Services, Saurav was astonished that he had not been consulted or even engaged in a dialogue before the management made this announcement.

He remembered how outraged everyone was at the office that day. Some employees handed in their papers immediately. Over the next year, employees relocated from Bangalore to Mumbai, team-wise. However, it was clear that the turnover rate had already spiked.

Coming back to the present, Saurav stared at the 54.18 per cent turnover rate in front of him. Adjusting his tie, he mentally went over the notes he had made for the meeting he had with his supervisors in the next 10 minutes. He was to address what steps they could take to retain its talented employees, and how they would create a safe and secure culture for future employees.

COMPANY DESCRIPTION

Oilsix Limited was established in 1989 by Rajesh Mahesh Joshi, who was a petrochemical engineer. The first office was established in Mumbai. Over the next five years, the company grew at a steady rate of 4–5 per cent. By 1998, it had offices in Bangalore, Chennai, New

EXHIBIT 6.1a Department-wise Turnover in Engineering Services Vertical

Row Labels	E1	E2	M1	M2	M3	M4	M5	M6	M7	M9	S1	S2	S3	Grand Total
Info tech	3	2		5							2	1	3	16
Electrical	3	5	3	6	2			2	1		2	2	3	29
Instrumentation		5	3	7	3	3						4		25
Mechanical	1		3		3			3						10
Pipelines	1		2		3		2							8
Piping	8	10	7	8	10						10	12	8	73
Process	1	3	7	5	3		3							22
Projects	3		3	4	3	4		3	4	3				27
Structural	5	8	18	7	8	4	5				6	8	14	83
Telecom			2							1	2			5
Grand total	25	33	48	42	35	11	10	8	5	4	22	27	28	298

EXHIBIT 6.1b Turnover for the Critical Employees

Row Labels	E1	E2	M1	M2	M3	M4	M5	M6	M7	M9	S1	S2	S3	Grand Total
Info tech	1			3									2	6
Electrical		3	2	4	1			1			1	1	2	15
Instrumentation		4	3	6	2	1						1		17
Mechanical			1		1			1						3
Pipelines			1		3		1							5
Piping		4	5	6	7						1		1	24
Process		1	5	3	1		2							12
Projects			1	2	1	2		1	2	1				10
Structural		6	16	5	6	2	3				1	3	2	44
Telecom			1											1
Grand total	1	18	35	29	22	5	6	3	2	1	3	5	7	137

Delhi and Vishakhapatnam. In 2001, it also set up two international offices in Dubai and Saudi Arabia.

Oilsix Limited is an engineering procurement and construction company. As an expert in oil and gas facilities, it makes the blueprints of such facilities, ensuring that they are innovative and commercially viable. It executes these plans and also operates on them for individual clients or projects. Their diverse client portfolio includes many of the world's foremost oil and gas companies, both national and independent. It also has yards at Vishakhapatnam where fabrication takes place.

The company's services are top-notch because of its optimal skills training with competency development and assurance frameworks. Engineering expertise is the source of their excellence. Oilsix's engineering services range from conceptual and feasibility studies to front-end engineering and design for onshore as well as offshore facilities.

The company is united by the following five values:

1. *Safety*: Safety is the topmost priority at Oilsix. No decision is taken without ensuring the safety of human life and limb.
2. *Speed*: Oilsix ensures that it remains responsive to the economic, legal and technological environment around it.
3. *Knowledge*: The employees at Oilsix are the most skilled in the market with continuously updated technology.
4. *People first*: Oilsix sets the benchmark for innovative people practices ensuring the most engaged talent pool in the market.
5. *Environment*: Oilsix strives for minimum damage to the environment and maximum sustainability.

The company flourished for the first 15 years since its inception. It grew at a 4–5 per cent rate which was very healthy considering how dynamic the oil industry is. In 2007, it went into losses because of the global economic meltdown. Over the next three years, it recovered its losses and finally became profitable again in 2010. However, it again went into losses in 2014–2016 because of fluctuations in the market and started recovering in 2017 (Exhibit 6.2). The management decided that the company had become very asset-heavy and started to reduce its cost centres.

THE DECISION TO RELOCATE

On 10 April 2017, the management of Oilsix Limited announced at their Bangalore offices that the office would be shut down. The HR head of the Engineering Services Vertical, Saurav Sharma, asked for the reason behind this decision. 'We are asking over 500 individuals to uproot their lives in Bangalore to shift to another city. What should I tell them?'

The CEO of Oilsix Limited, Jayaprakash Singh, answered, 'We need to increase our profit margins. The Bangalore office is a standalone office where only one team is working. It will be convenient to relocate all of you. Also, there is no advantage in this location as none of

EXHIBIT 6.2 *Summary of Financial Results of the Company*

Particulars	2017-2018 (₹ Crore)	2016-2017 (₹ Crore)
Turnover (gross)	6,240.64	5,740.35
Profit/loss before depreciation, interest, taxes & amortization	208.46	-760.67
Less: depreciation & amortization	101.41	98.11
Profit/loss before interest & taxes	107.05	-858.78
Less: interest	45.02	51.11
Profit/loss before tax	62.03	-909.89
Less: tax (including deferred tax provision)	20.21	15.11
Profit/loss after tax	41.82	-925
Add: balance brought forward from previous year	-724.88	200.12
Less: dividend (including dividend distribution tax)		
Less: additional charge to retained earnings on revision of useful life		
Balance carried to balance sheet	-683.06	-724.88

our clients is here in Bangalore. It will be more efficient to have all of you in Mumbai so that the engineering management team here and the project management team there can merge into one.'

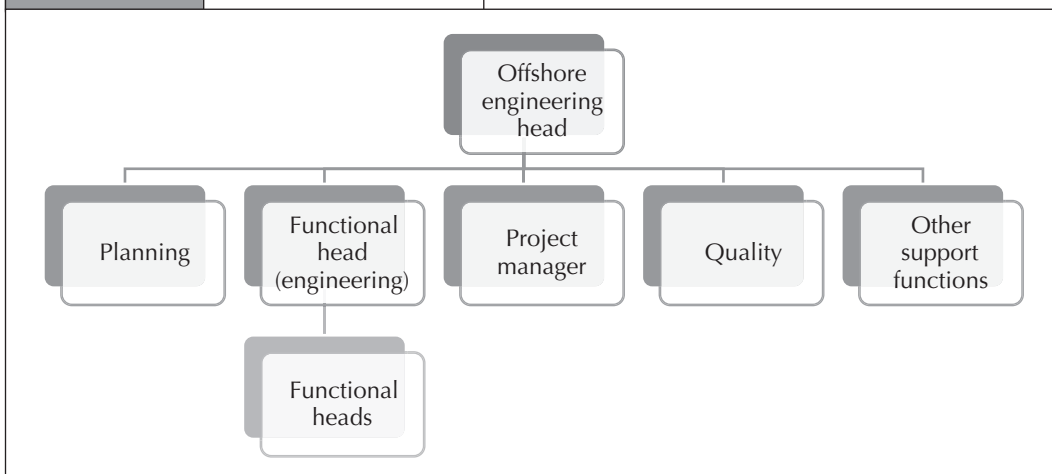
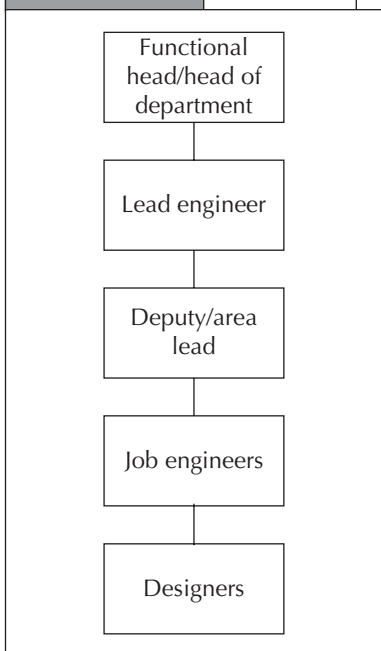
The project management team at Mumbai acted as an interface between the client and the engineering service team (Exhibits 6.3a and 6.3b). For example, any changes or improvements demanded by the customers would be submitted to the project management team, who would communicate them to the engineers at Bangalore.

However, there were often communication gaps between the project management team and the engineering service team, which resulted in conflicts. These conflicts often resulted in expensive delays and dissatisfied clients. This was affecting the reputation of Oilsix as an on-time engineering expert.

Thus, the Oilsix management decided to form another team in Bangalore. Some of the engineers from the Engineering Services Vertical were chosen to form the engineering management team in order to manage the engineers at Bangalore. This established a communication channel between the project management team at Mumbai and the Engineering Servicing Vertical.

Nonetheless, the communication gaps between the teams at Mumbai and Bangalore continued. The decision to create the engineering management team only ended up increasing a level of decision-making without tackling the root cause of the communication gaps.

Thus, the management decided that relocating the entire Engineering Services Vertical from Bangalore to Mumbai would solve the communication problem. The engineering management team would be dissolved as this had proved redundant and having the project management team and the engineering services vertical at the same location would be enough to communicate effectively.

EXHIBIT 6.3a *Functional Structure***EXHIBIT 6.3b** *Functional Structure*

THE RELOCATING PROCESS

As Saurav Sharma made his way to the meeting room, he remembered how the relocation process had proven to be a nightmare for the company. Till the last year, the Bangalore office had employed over 500 engineers. Sixty per cent of these employees were local to Bangalore (Exhibit 6.4); the management had hired them thinking that it would be easier to retain these employees for the long term. When the management had announced the relocation, they completely overlooked how all these South Indians would not wish to leave Bangalore, along with its distinct weather, language, food and overall Dravidian culture to come to Mumbai, which had a completely different culture. The cost of living was also a lot higher in Mumbai.

To incentivize the relocation, the company repeatedly made the following promises at town hall meetings:

1. *Compensation:* Employees were promised that their salaries would be increased in order to adjust to the higher cost of living in Mumbai as well as a bonus for relocating.
2. *Schooling facilities for children:* The company promised that they would tie up with schools so that the children of the relocated employees would not face any breaks in their education.
3. *Transportation logistics:* The company would reimburse the packers and movers cost and travel tickets of the employees' family.

EXHIBIT 6.4 *Grade Structure*

Supervisors (Diploma holders)	Executives (Graduate engineers)	Covenant			
		Tier 1	Tier 2	Tier 3	Tier 4
Diploma engineering trainee	Graduate engineering trainee				
S1	E1	M1	M4	M7	M10
S2	E2	M2	M5	M8	M11
S3	E3*				
M3	M6	M9			
Promotion to E2 after S3	Promotion to Tier 1 after E2	Promotion to Tier 2	Promotion to Tier 3	Promotion to Tier 4	

4. *Housing assistance:* The company made arrangements with brokers to facilitate the process to find homes for their employees. They also promised to provide temporary lodgings in the company guesthouse for up to one year.

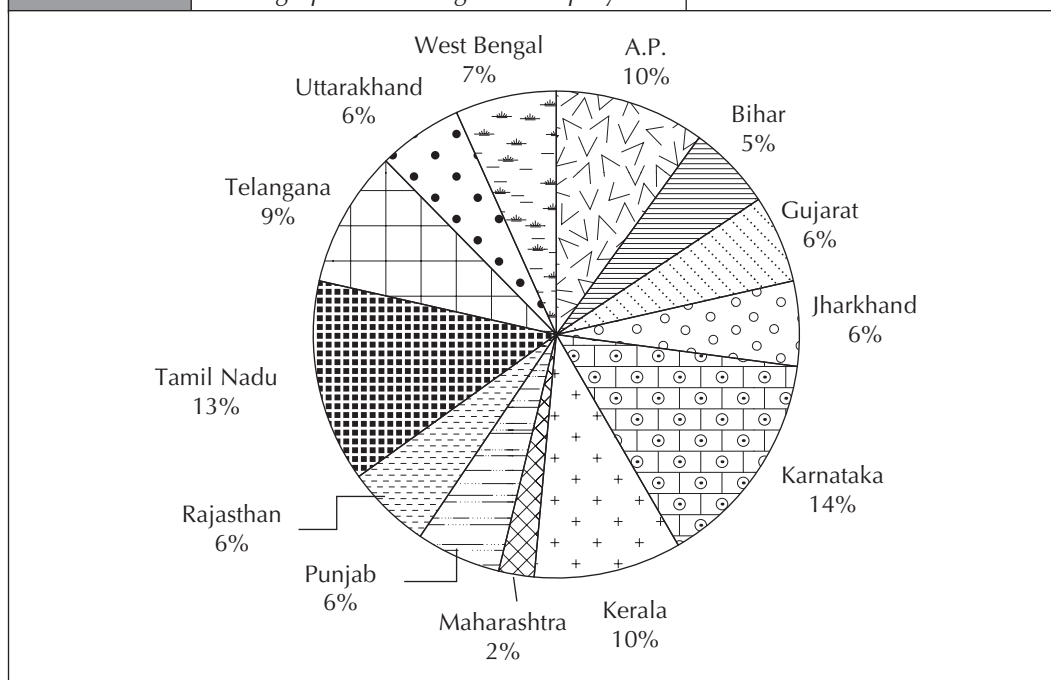
With these promises, Oilsix started shifting the Bangalore employees to Mumbai department-wise. However, there was no communication between the management and the employees after they started shifting to Mumbai.

THE HR FUNCTIONS AT OILSIX

1. *Recruitment:* Using predictive analytics (Exhibit 6.5), HR had predicted that the supervisor and executive-level employees would be the ones to leave in large numbers. Thus, they drafted their strategies to recruit lower-level employees in large numbers soon. However, it was the Tier 1, 2, 3 and 4 managers who put in their papers in large numbers (Exhibit 6.6). This created a void in the upper management, which left the lower-level engineers without any leaders and guiding force.
2. *Compensation:* In order to retain the resigning managers, the management offered them higher compensation. This led to incentivization of resignation and motivated more employees to resign. The increase in compensation was not backed by any proactive research or analysis; rather, it was a panic-stricken reaction to the large turnover rate. The employees who were newly hired at Mumbai were offered compensation that was much higher than the compensation of the employees who had relocated to Mumbai.
3. *Learning and development:* Since the Bangalore office was a stand-alone, the department heads could plan and execute their training as per their requirements with minimal involvement of other departments. Since they had the optimal level of trainers and training infrastructure, they did not require extensive permissions from various authority levels; the learning and development department could function smoothly and seamlessly. At Mumbai, there were a lot of departments and limited training infrastructure. A central training department had to cater to the needs of all

EXHIBIT 6.5 *Predicted Attrition*

Grades	Total Employees	Predicted Attrition	Percentage
Supervisors	125	39	31.2%
Executives	167	48	28.7%
Tier 1	180	43	23.9%
Tier 2	55	15	27.3%
Tier 3	20	5	25.0%
Tier 4	3	0	0.0%
Total	550	150	27.3%

EXHIBIT 6.6 *Demographics of Bangalore Employees*

the departments. Hence, the process of organizing even a single training session required time-consuming collaboration and permissions from various authorities. For example, the employees were facing a language barrier in communicating effectively, and they wanted some spoken Hindi classes to be organized. But such issues went ignored. Also, since a lot of new employees were being hired and a lot of internal trainers had also left, there was a complete disruption in the functioning of the Learning and Development Department. With people continuously leaving and joining the organization, HR could not devise a proper strategy to train these employees. This leads to increased skill gaps and decreased motivation.

EXHIBIT 6.7 *Infrastructure Issues Reported via Survey*

Improvements	Percentage
Cleanliness of workspace	32.14%
Availability of refreshment round the clock	26.19%
Clean drinking water	15.48%
Transportation	7.14%
Additional machines for punching in/out	4.76%
AC canteen	2.38%
Sheltered car park	2.38%
Food outlets	1.19%
Creche facility	1.19%

4. *Infrastructure*: There were many minor problems that the relocated employees were facing in Mumbai (Exhibit 6.7). For example, the buses were limited and of poor quality, as compared to Bangalore. There were no round-the-clock refreshments provided in the office; office cleanliness issues were pointed by the relocated employees and administrative issues like attendance management systems were not in place. While individually small, the culmination of these issues affected the morale of the employees drastically.
5. *HR policies*: Bangalore office used to follow a 5-day work policy, which was not the case in the Mumbai office. The relocated employees wanted some leniency in the leave policy as they had to travel in the weekend back to Bangalore. The Mumbai office had a general management team that handled the communication and access to recreation facilities which was not extended to the relocated employees. Overall, the HR policies were considered to be stringent and were not customized to support the needs of the relocated employees at all.

All these problems had disrupted the functioning of a highly productive Vertical of Oilsix. Reaching the meeting room, Saurav deliberated on how to reduce the employee turnover rate and improve employee satisfaction and well-being. Overall, his presentation revolved around the following three main questions:

1. What measures should be taken to reduce the attrition rate?
2. Does the company need to change its culture by introducing participative management in the decision-making process?
3. Does Oilsix has a serious problem with their communication systems? Should it change its top-down approach to prevent such problems in the future?

CASE

7

Does Diversity Lead to a Constructive Compromise?— A Case Study at DOT Technological Services

Opening Vignette

Noah could not stop thinking of what had transpired in the past 72 hours. He had been working in talent acquisition for the past 22 years and never had he faced such a conundrum. As the talent acquisition head of DOT Technological Services, India (DTS), he was privy to the requirements that came with various roles, but this one had him questioning the company's recruitment strategies. Daniel, Director of Insights & Data, had contacted him three days ago and had asked him to personally source potential candidates for the role of vice-president for the same business unit (BU). The JD seemed like nothing he could not handle, but that was until Daniel asked him to specifically look for a female candidate—off the record, obviously.

Noah did not give the unusual request a second thought and diligently looked into their database and job portals, but unfortunately no female candidate fit the requirements given to him. Daniel did not see this as a major issue and simply asked him to alter the requirements to fit any female candidate whose credentials were close to actual requirements. Despite Noah's protests that this would require him to compromise with important parameters such as years of experience and certifications, Daniel was persistent. 'We're helping them break the glass ceiling, aren't we? Plus it'll help us flaunt the diversity at the BU,' he said.

THE IT/ITES INDUSTRY

The beginning of the IT industry started with the formation of DCL Infotech in 1954. The initial work involved developing punched card facilities for DCL employees. The export services began in 1969 when DCL signed the contract for writing codes for machines of Royal Boroughs of Europe. DCL was followed by the entry of Vinizant in 1975 and ImpactGE in 1979. Soon these companies began growing exponentially and, currently, India is the world's largest exporter in the IT industry with annual revenue of ₹8.4 lakh

crore or approximately \$143–144 billion. The business model of all the major companies involves cost arbitrage, that is, signing a contract with the client for doing a particular work at a specified price and getting the work done using low cost labour. The Indian IT and ITeS business is split into four major segments: software products and engineering services, business process management, IT services and hardware.

The market for the IT industry is expected to touch US\$350 billion by 2025, aided by the 10 per cent CAGR growth. The total spending on IT services by banking and financial services firms is expected to touch US\$7.8 billion. Also, the internet economy has touched US\$145 billion by 2018. The public cloud services is expected to grow at 30 per cent and touch US\$1.3 billion. The healthcare market can increase three-fold to ₹8.6 trillion (US\$ 133.44 billion) by 2022. The Indian business-to-business e-commerce market is expected to touch US\$700 billion in 2020 and business-to-consumer market is expected to reach US\$102 billion.

Before the reforms of 1991, the State had rigid control over India's private companies. The State fully regulated internet connectivity, and this proved to be a significant impediment to the IT industry's development. The central government's original significant reform was the formation of India's Software Technology Parks, offering satellite connections to the IT majors and helping them communicate the job done in India directly overseas. This made it possible for the IT companies to reduce costs and helped the customers in the USA trust Indian companies and go outsourcing. There was a lifting of the enormous constraints on overseas company and promoting foreign investment.

MAJOR PLAYERS

In recent past, India has become the IT hub, and there are a lot of players operating in the IT sector in India. Some major players are Vinizant, Capture, DCL Infotech, ImpactGE, DTS, Wohoo and GemTech. All these players give very tough competition to each other and try to come up with moves to disrupt the strategy of other players.

This fierce competition has helped in the growth of the IT industry in India, and the major cities which have helped in exploiting the potential of IT sector are Gurugram, Mumbai, Bengaluru, Hyderabad and Chennai. The competition is not limited to who develops more advanced technology or software but also who can hire the best talent from the available resources and sustain them. The major obstacle which these companies have to face is that the talent available in the market is very scarce if compared to the actual demand. So companies have to fight out between them to attract those candidates.

DOT TECHNOLOGICAL SERVICES, INDIA

DTS is a global leader in technology services and digital transformation, with presence across multiple locations in India, which include Bengaluru, Mumbai and Kolkata. It has over 100,000 employees in India working across sectors.

The company is at the forefront of innovation to meet the expectation of clients in the evolving world of cloud, digital and platforms and believes in three fundamental points that differentiate them from their competitors:

- Dynamism, which makes them adaptive, agile and a learning organization
- People who work collaboratively to understand their client's requirements and who take pride in being part of the brand
- Innovation, which makes them sustain in the tech space against increasing competition

History

The company was founded in the year 1967 by Mr Reynold Louis as an enterprise management company. In the year 1975, they acquired Future Computer Systems, a US company pioneer in data processing. With many more acquisitions in the tech space, the company created a brand name in the technology space in India. They started with providing application services and then expanded their business in technology and engineering services. With growing demand in the industry, the company entered the consulting business in 2000. Recently, they entered the financial services domain and are providing services to some of the major clients such as HSBC, Barclays and Metro.

Business Units

The company has four major BUs which work in collaboration to meet clients' requirements.

1. *Consulting services*: The unit focuses on enhancing the performance of organization based on knowledge of client's industry and processes.
2. *Application services*: The unit is accountable for developing, implementing and maintaining IT applications.
3. *Technology and engineering services*: This unit aids and provides support to the IT teams of client companies.
4. *Financial services*: The company recently entered the financial services sector by providing the best solutions to the client in banking and insurance industry.

Growth over the Years

The company had some remarkable achievements in recent years. The consolidated revenues of 300 million in the year 2019 increased by 3.6 per cent compared to the last year. For 2019, the company targeted growth at constant exchange rates of 4.5–5.5 per cent, profitability with operating margin of 10–12 per cent.

The consulting services recorded a 16 per cent increase at constant exchange rates in their overall revenue 2019. The application services unit comprised of around 55 per cent of their revenues. The technology and engineering unit comprised of 32 per cent of the overall revenue. The financial services also showed a good progress with 13 per cent of their revenue being achieved through this BU.

HR Management Practices at DTS

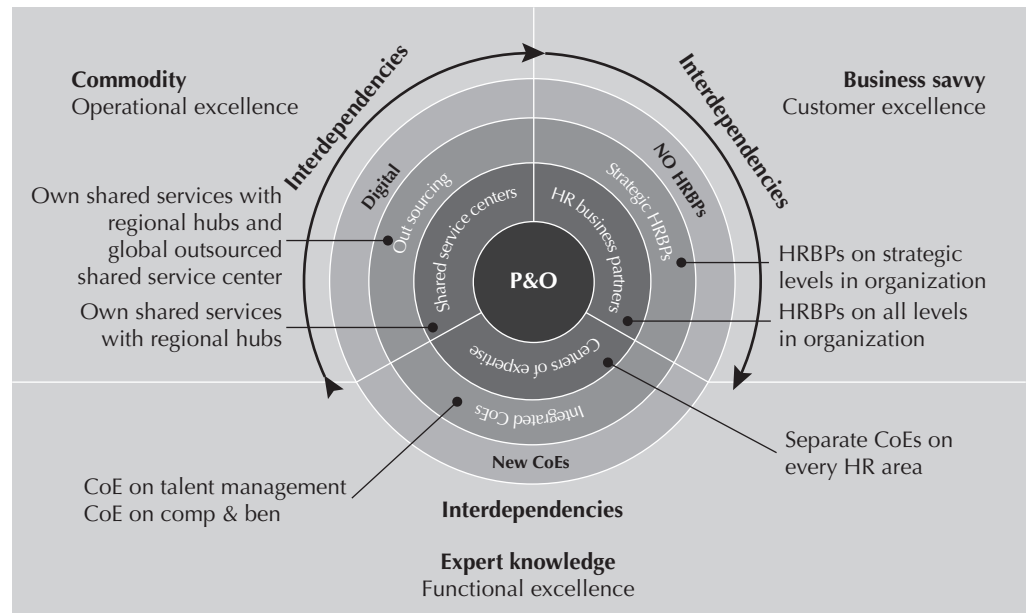
Noah had joined DTS as a mere talent acquisition intern 22 years ago and had seen the company's HR transform from a confined role to a strategic and restructuring partner. In the industry they worked in, considering that people were their only asset, HR was a valued department, but this factor also made executives worry about bringing about any changes or transformations in the fear of the system crumbling. He had had a first-hand view of how their competitors ignored upcoming trends and changes which made HR bulky and inefficient.

DTS was different and knew how important HR was to their functioning, considering that their only assets were their employees and the intellectual capital they brought to the table. They made sure to regularly benchmark both internal and external HR practices of all their tier-1 competitors and adapt to changes. This practice extended to all functions of HR across all businesses.

The leadership made sure that all necessary resources were given to develop a high sense of maturity to not only tackle but also anticipate challenges that they could face. The maturity model shown in Exhibit 7.1 is proof of the efforts they put in to integrate operational, functional and customer excellence. Each BU had their own HR team which specifically took care of their requirements. However, it was made sure that all their practices were not done in silos from each other but integrated end to end. There were certain functions such as leadership hiring and training that were common to all BUs.

EXHIBIT 7.1

The HR Maturity Model Developed at DTS to Ensure a Holistic Development of the Organization



Culture at DTS

When Noah had joined the organization, the culture was hierarchical and bureaucratic. The processes were a lot structured and inflexible. But over the years, with younger and more open-minded employees coming in the culture, it evolved to an open and receptive one. The culture at DTS was nurtured in such a manner that it went a long way in connecting with employees and fostering a rapport with them. The organization became a lot flatter, and the leaders were more receptive. When it came to gender diversity, DTS won India's Best Workplaces for Women in 2016 and 2017.

Leadership Hiring at DTS

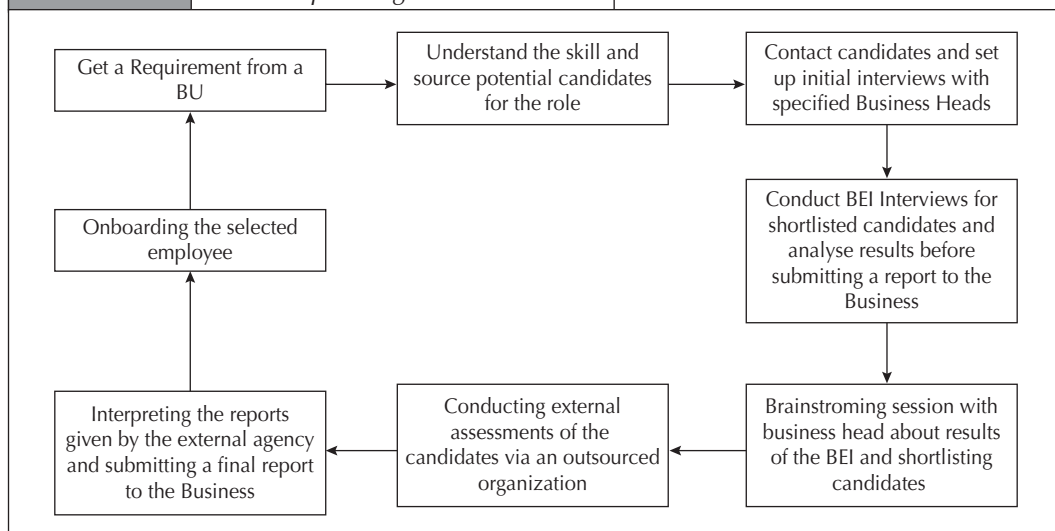
DTS being a well-established company with deep roots in various domains relied on strong leadership to not only guide them but also open new avenues where business could be introduced and developed. Due to the importance and impact of the people in these roles, high priority was given to their acquisition. The sole focus of the leadership hiring team is on Grades E and F only, which consist of director, senior director, VP and AVP.

The process of leadership hiring at DTS is given in Exhibit 7.2. Over the years, several transformations were made in the leadership hiring practices to streamline and optimize the process.

Some of them are as follows:

1. *Undergoing a digital transformation across all its process:* With the advent of AI and deep learning, leadership hiring was quick to develop an in-house tool that could minimize human intervention in tedious tasks such as sourcing job boards and

EXHIBIT 7.2 Leadership Hiring Process at DTS



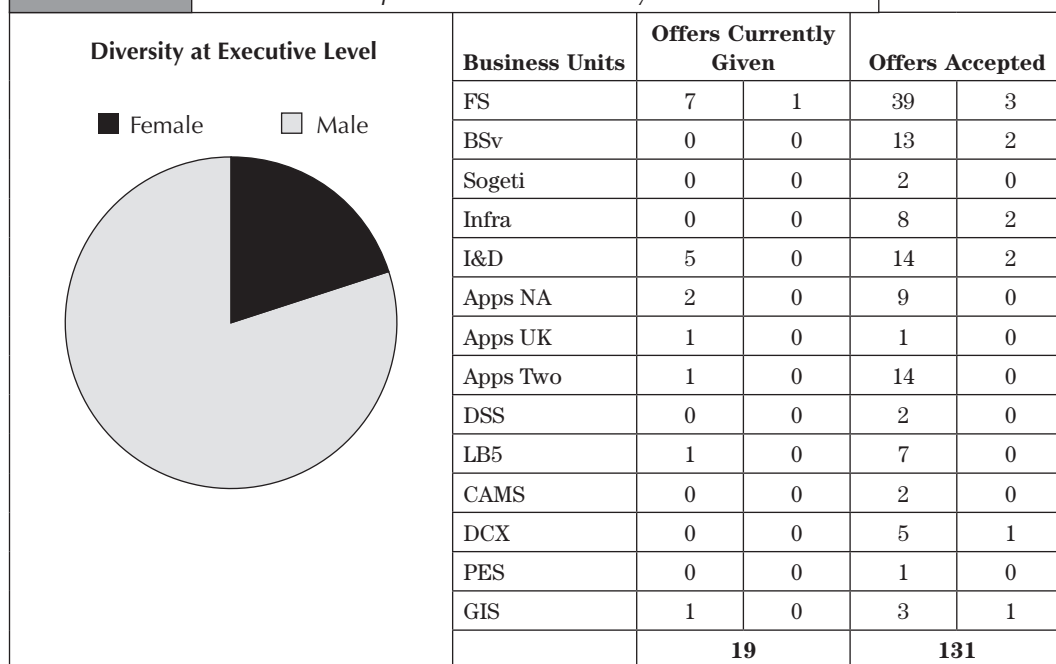
scheduling interviews and meets. Utilizing the ATS and creating customized extensions specifically for leadership hiring were common practices for them.

2. *Being data driven:* Behavioural event interviews were given more priority over other interviews when it came to checking organizational and cultural fit. Several factors such as the persons flight risk were analysed via various factors before hiring the person. Content analysis was also done on a potential candidate's social media activities such as LinkedIn and Facebook.
3. *Providing a standardized as well as a personalized service:* Special notice was given to candidate experience to ensure that their process goes about smoothly. Various factors ranging from the persons entry pass to where the interview was to be conducted was reviewed before the actual date. This ensured that the company left a good impression, and the person could be called back with surety.

One of the major challenges of the team was meeting up with the specific requirements for candidates given to them by the BUs. This would range from educational backgrounds from specific institutes to niche certifications. Most of the candidate requirements came directly from top management of the business, and therefore those requests had to be fulfilled without question. This was one of the reasons it took the department a lot of time to find the right candidates and onboard them.

While the talent acquisition team hires 20,000 people every year, the leadership team hired only 289 people in FY 2018. As per statistics, the leadership team has a higher efficiency in terms of renege rate and job fit. Exhibit 7.3 shows the number of people hired and the average time taken at executive level across BUs. The exhibit also shows numbers related to diversity

EXHIBIT 7.3 *Number of People Hired and Diversity at Executive Level*



at executive level. Diversity became a rather controversial and sought-after factor due to the famed 'glass ceiling'.

Noah's Dilemma

Noah was working under the new director of insights and data, Daniel Foreman. He had been asked to personally source potential candidates for the role of vice-president for the same BU. The JD given to him was pretty straightforward, and Noah was sure that he could find a good candidate despite the BU being known for having people with niche and rare certifications and skills. Daniel had sent over the JD of the role to him via mail and later contacted Noah personally to request him to specifically look for a female candidate. Noah did not give the unusual request a second thought and diligently looked into their database and job portals, but unfortunately no female candidate fit the requirements given to him.

Noah then created extensive notes regarding the remaining candidates he had shortlisted and went to meet Daniel only to be reprimanded by Daniel. The candidates Noah had sourced were perfect for the role but for one factor; they were females. This was the one criterion Daniel was not willing to compromise on.

Noah strongly pressed upon the fact that there were no female candidates on all sources the company used. Daniel came up with a 'novel' solution. He asked Noah to look for female candidates for the same role but with lesser certifications and relevant experience. Noah was distraught. How could they compromise with such important factors for the sake of diversity?

He tried voicing his displeasure but was only met by a disinterested reply, 'We're helping them break the glass ceiling, aren't we? Plus it'll help us flaunt the diversity at the BU,' he said. Noah knew that the discussion was over.

He headed back to his room to look for the 'perfect' fit but his doubts still lingered on. Were they willing to compromise with the workings of an entire BU for the sake of increasing gender diversity? Would not these 'talent acquisition strategies' affect productivity at DTS?

Based on your understanding of the case, suggest the solutions for the following problems:

1. How will Daniel Foreman's decision affect the insights and data business at DTS?
2. How should Noah approach this situation further?
3. What other methods can DTS adopt to increase diversity in the company without compromising on talent?

CASE

8

Culture at JTG

Rishu: ‘Even today if we ask any employees about what they love most about JTG, the unanimous answer would be “work culture!”’

Sonam: ‘There are very few companies in our industry that offer flexi timings, fun environment and autonomy. And, in fact, these are just a few of the things JTG offers to its employees.’

Amit: ‘Indeed! We have come a long way and have managed to stand strong in spite of the present industry conditions. We have fought and crossed every hurdle, only because of the trust our employees posed in us.’

Sonam: ‘Absolutely, Amit! And I think JTG university has a huge role to play in our growth and also in our employee’s life. We managed to survive the 2015 attrition wave; however, times are changing and the environment is more dynamic than ever and in this VUCA world, HR needs to be agile!’

Rishu: ‘Agreed, which is why I think it is time for us to further enhance our retention and engagement policies. Sonam, do you have any plans? If not, I think you should start working on something so as to meet the ever-changing needs of our business environment.’

Sonam: ‘Sure. I have a few things in mind. However, I would like to come up with a clearer plan of action.’

Amit: ‘Perfect.’

Sonam, Head-HR at JTG E-Business Software Group, was now facing the challenge of how to further enhance employee engagement and retention. Should the old policies be scrapped? What additions can be made to the existing policies? How can JTG university be used to upskill and reskill and, most importantly, retain employees, further? She has a lot to ponder on, she thought, while drinking coffee.

ABOUT THE INDUSTRY

India’s IT services industry came into existence in Mumbai in 1967 with the establishment of the Tata Group in partnership with Burroughs. The first software export zone, SEEPZ, the predecessor of the modern-day IT park, was established in Mumbai in 1973.

The Indian economy underwent major economic reforms in 1991, leading to a new era of globalization and international economic integration, and annual economic growth of over 6 per cent from 1993 to 2002. Under Shri Atal Bihari Vajpayee's tenure as the prime minister of India, the IT development was placed among the top five priorities and hence formed the Indian National Task Force on Information Technology and Software Development.

In today's contemporary world economy, India is the largest exporter of IT services. The Indian IT industry constitutes about 79 per cent of the industry's total revenue heavily dominated by exports. But the domestic market is also quite significant as it is showing robust revenue growth throughout the years. The technologically inclined services sector in India accounts for 40 per cent of the country's GDP and 30 per cent of export earnings as of 2006, while employing only 25 per cent of its workforce. According to Gartner, the 'Top Five Indian IT Services Providers' are Tata Consultancy Services, Infosys, Cognizant, Wipro and HCL Technologies.

ABOUT THE COMPANY

Gurgaon-based JTG, founded in 2009, is believed to be one of the best in IT solutions for use in a variety of businesses, encountering problems in the IT sector. They have a good and proper coordinating partnership between the company's intramural internal environments and emerging external IT surrounding. The company is creating its market into niche product development for web and mobile applications (refer to Exhibit 8.1).

The company takes pride in its highly talented peer group who are alumni of colleges such as IITs, NSIT, BITS, IIITs, Pune MCA and VIT and have previously worked with some reputed companies such as Trilogy and Amazon.

JTG has a high focus on open source technologies/frameworks—Java, J2EE, Ruby on Rails, Django and so on. Along with this, they are working on iPhone, Android and Blackberry platforms. They are also working on their own products in the web/mobile space for the Indian market.

Its clients range from exciting start-ups in the USA and India to some of the established Fortune 1000 companies. The management believes that infinite opportunities are provided for the growth of the company as well as the individuals.

The employees of the company are passionate towards work and put efforts to reach success as well as to achieve the objectives, irrespective of how demanding situations are.

As expected by its standards, every client is being valued by the company, which completely goes through the demands of the customers and delivers accordingly. JTG maintains an excellent team with highly skilled and dynamic expert professionals in order to preserve the service excellence.

The team experts who are highly motivated will mainly focus on fulfilling the necessities of the company's principals. Innovation, quality, commitment and superior service help to determine the ways to reach the profitable growth. Their only goal is to make the clients and customers happy with valuable products and services.

JTG also offers customized solutions in accordance with the expectations of the clients, and the products are delivered with high quality at cost-effective rates and at specified times. They have the required commitment, competitiveness and strong growth as the base, so they provide varied improvements in the products and services.

EXHIBIT 8.1 *The Journey of JTG*

Next Step Forward:

Having successfully bootstrapped with positive cash flow and the team strength increased to 15, JTG moved its headquarters to the National Capital Region.

05

Humble Beginnings:

Co-Founded by Amit, Shashank and Rishu, JTG started operations in Bangalore. The ambitious trio embarked on the journey with a vision of leveraging technology to transform ideas into successful ventures.

Making Expansion Official:

With an eye on the future to build a world class team, JTG moves into a 30000 sq ft space in one of Gurgaon's prime hubs, close to the airport.

10

Successful Product Launches:

Growing to 100+ members, JTG has launched a number of highly successful products, and also acquired equity in some of them. Launch of Calypod - JTG's first venture in India, was a significant milestone.

2009

2010

2014

2018

Activate
Go to
Setting

CULTURE AT JTG

Overview

JTG E-Business Software Pvt. Ltd is well known in the market for its work environment and work culture. Employees aspire to work at JTG due to its work culture. Be it a tiring Monday or the last working day of the week, the employees' emotions are pretty much positive. This is because JTG believes in the saying 'Work hard, party harder'. Super Saturdays, Sunday outings, team outings, special day celebrations, birthdays, health and fitness classes, you name it and JTG has it all. The HR department at JTG has an employee engagement calendar which makes sure that no employee working at JTG remains disengaged. Also, it is not only the fun that is incorporated during the work hours with flashy offices and bean bags. Here, an employee is being nurtured in every aspect, be it as a person or as a professional or as a citizen. At JTG, they have a predefined career ladder specs which helps every individual employee to grow in the organization. Also, external learning is something which is valued a lot at JTG. They have a dedicated channel for knowledge sharing known as 'MATTERMOST', which is a slack alternative, and the channel is maintained by the employees only and it is a delight to see the variations on MATTERMOST posted by the employees.

JTG University

JTG university, as the name suggests, is a flagship programme offered for the college graduates. JTG believes in developing talent and has come up with JTG university to develop and nurture fresh talent. JTG university has two dedicated programmes. One is a two-month extensive programme which involves the overall development of the fresh graduates. The following is the schedule for the two months of the programme:

- *First week:* Induction week (buddy allocation and introduction to the ground rules of the job)
- *Second and Third weeks:* Demo project allocation and review at the end of the third week
- *Fourth week:* Team outing and month-end review along with the road map for the upcoming month
- Repetition of the first month schedule and at the end of the two months, either a PPO or PPI is offered to the candidate.

The second programme is a year-long programme for the final-year students, and the purpose of this programme is to make them ready for the industry and work ready. This programme is like a normal employee job where the first month consist of induction of the whole batch, and the batch is given the brief about the technology and working at JTG.

Further, they have continuous monthly reviews and quarterly feedback with the mentors assigned. At the end of the year, their performance is reviewed by the team lead and their further journey is decided.

Last, to sum up the culture of JTG, it is a place where people enter with a quality and when they leave, they take much more than what they had.

CHALLENGES AHEAD

The company has successfully emerged victorious from the problem of attrition it faced a few years ago, which at that time appeared to be threatening. Thanks to the indomitable spirit of the founders and the faith they posed in their values. Since then, there has been no turning back and the organization has continued to strive towards excellence with growing top and bottom line.

But as goes the adage, 'Nothing is permanent except change.' The business environment is highly unpredictable. Changing government policies, economic slowdowns, relations with foreign countries, increasing competition and technology obsolescence are just a few of the factors which if not dealt with a proper strategy have the capacity to drive any organization into dreaded waters.

The challenge before the management is to anticipate these changes and take proactive measures.

With Gen Y and Z taking over the workforce, attrition rates can be high, especially in a service-based industry like IT, where the most asset an organization has is its employees and where the competitive advantage an organization has is defined by the talent it possesses.

Sonam has come to you, an HR intern for this. It is time for you to apply all the concepts learned in your MBA stint and give recommendations for the following questions:

1. What aspects of organization culture of JTG are critical to its success?
2. Given the industry dynamics and business environment, do you think the company needs to deploy a new talent management strategy to develop a sustainable competitive advantage?
3. Suggest some innovative ways which JTG can use to enhance employee engagement.
4. What should be the approach of the company to deal with the competition eyeing on its coveted talent pool?
5. Since the company is in its growth phase, what should be its strategy to expand?

CASE

9

Talent Management Fizzled Out at DTKL?

Nitesh Bhatia and Tanusree Dutta

Looking out of the window into oblivion, the question that kept haunting Mr Gaurav Sharma, Corporate HR DTKL (Ex-HR Head of KTL), was: Where did it all go wrong? The decision of merging was a well-thought-out one.

There were five out of nine players surviving in the Indian telecom by the end of year 2017. They were DTL (Dusto Telecom Limited), KTL (Kairo Telecom Limited), AATL (Aero Aria Telecom Limited), JTL (Jilano Telecom Limited) and HTL (Hind Telecom Limited). Among these, HTL was the only government subsidiary in the industry. The competition was escalating every day, new offers were pouring and there was development of new and fast internet service-providing technology. HTL was incurring loss consecutively for the last four financial years; AATL was witnessing declining profits for the first time ever since inception its in 2018–2019; and DTL and KTL were continuously losing their market share due to the failure to counter the new number portability concept. The only company that stood the test of time was JTL, a part of the huge global conglomerate backed by a strong vision and financial support from its parent's company.

The merger of DTL and KTL led to the formation of DTKL (Dusto Kairo Telecom Limited). DTKL emerged as the biggest telecom player in the Indian market in February 2018. It was an outcome of a well-planned strategy to overcome diminishing margins and tariff war with JTL as a new entrant in telecom industry in India. DTL was technically competent and was a well-known company of international repute. KTL was an Indian family-run business, identified for strong ethical standards, having wide geographical and network coverage. The merger gave jitter among its competitors because of its size, expertise, dynamic workforce and geographical reach. The merger was also expected to pave out way for a smooth acquisition of latest technology and increased capability to cater with the best services across all circle across the county.

MERGER BACKGROUND

DTL was a multinational company. Its employees were paid higher salary and enjoyed exclusive benefit packages, and KTL was an Indian company with a conservative approach on HR practices. Each company could be identified having unique strengths and common market challenges. With the merger, DTKL became the largest telecom company in India

having the highest market share of around 48 per cent, with a diverse expertise workforce but with even a bigger debt collectively. The strategic intent to become the largest telecom player in India, prospering along with profits and ensuring sustainable financial stability, formed the base of this merger.

But soon the perception of advantage due to the merger started waning out. The culture, working pattern and HR practices of both the companies were poles apart. Feeling of uncertainty plagued the minds of the employees. There were rumours of lay-offs on the pretext of enhancing future financial performance of the company. This proved to be true in May 2018. Almost 6,700 employees out of total 35,000 (17,322 from DTL and 16,688 from KTL) lost their job as a part of the merger process. In June 2018, the management at DKTL brought relief for remaining 28,300 employees with an announcement of 'no more layoffs'. A sense of job security was generated. The management of DKTL came forward to address the concern of the employees and assured them that they were a part of the company's future plans. The financial health of the company is shown in Exhibits 9.1–9.3.

POST THE MERGER: WAS THE CONCEPT OF TALENT MANAGEMENT FIZZLING OUT?

Things got ugly for employees at DKTL soon after the merger. This was reflected in first and second quarters of the year 2020. With the spread of COVID-19 pandemic and JTL coming up with promotional offers, schemes and add-on services, there seemed no way out to keep the company's profit rolling. DKTL, which was once occupying 48 per cent of the market share after the merger, in June 2020 witnessed a decline of 19.6 per cent, in comparison to JTL's 44 per cent, AATL's 31 per cent and HTL's 5.4 per cent.

With falling markets, operational challenges arising due to COVID-19 pandemic and lockdown across India, DKTL decided to downsize the employee strength to cope with the loss. The blueprint was to reduce 60 per cent employees in the current pandemic situation. Lengthy discussions for days continued among the members of the top management to comprehend the consequences and think of viable options. After three days of deliberation, the HR at DKTL started rolling out reminders to employees to tender their resignation by 19 May 2020 or be prepared for termination. As a goodwill gesture, the company assured to cover the notice period of two months by paying their salary along with a compensation depending upon the number of years served either at DTL or KTL as loyalty incentive. This implied that if you were associated with either DKTL or KTL for past 10 years, you were entitled to an additional compensation of 10 months of your last-drawn salary.

Only those employees were retained whose circle heads belonged to the parent organization before the merger. The employees received calls from the top management personnel regarding the lay-off. All this was being executed under the pretext of 'ethics of care for employees previously associated with them'. But employees perceived these actions either as a part of a pre-planned understanding during the merger or as an outcome of post-merger failure. The impact of lay-off was reflected in employee loyalty.

On the one hand while DKTL was looking forward towards a boost in revenue and expect profits coming in with the lay-offs, launching of new products and offers in store for upcoming future, its HR was facing a tough time dealing with the current dilemmatic state of mind of remaining employees who were 'today's survivors, tomorrow's martyrs'.

PRESENT SITUATION

After the downsizing, DKTL is presently left with employees having work experience of 2–15 years in hard core telecom industry. There are merely three private players in telecom market in India. Employees at DKTL are hopeful about judiciary support and government interference as lay-offs were done in violation of ethical standards.

APPENDICES: SNAPSHOT AT THE FINANCIALS

EXHIBIT 9.1 *Financial Performance Outlook for the Year 2018–2019 (31 March 2019)*

Financial Parameter	DKTL	JTL	AATL	HTL
Total income	31,000	32,222	41,222	32,111
Total expense	26,000	26,654	29,992	24,545
Profit for the year (after tax)	–9,000	2,348	–1,129	–3,450

Source: The author.

Note: All figures are in crores (₹).

EXHIBIT 9.2 *Financial Performance Outlook for the Year 2019–2020 (31 March 2020)*

Financial Parameter	DKTL	JTL	AATL	HTL
Total income	5,457	52,348	42,345	41,878
Total expense	26,545	41,567	29,787	34,561
Profit for the year	–63,432	4,569	–27,654	–4,800

Source: The author.

Note: All figures are in crores (₹).

EXHIBIT 9.3 *Comparison of Share Prices*

Dates	DKTL	JTL	AATL	HTL
On closing of 31 March 2018	43	622	295	266
On closing of 31 March 2019	15	1,128	247	211
On closing of 31 March 2020	5	878	388	135
On closing of 30 June 2020	14	1,897	547	86

Source: The author.

Notes: All figures as price per unit of share in ₹; no share splits carried out or bonus shares issued post the merger of DTL and KTL by any of the four companies mentioned.

Exercise

1. As a Senior HR at DKTL, what is your opinion about drastically reducing 60% of employees over three days on verbal calls; was it justified?
2. With employees looking forward to judiciary support and government intervention, how should DTKL prepare itself for internal and external difficulties? What steps should they take to encounter such challenges?
3. Do you think that the core concept of talent management was comprised at DKTL?
4. In the present scenario, critically evaluate the decision leading to this situation.